

JPRS 81066

16 June 1982

# West Europe Report

No. 1981



FOREIGN BROADCAST INFORMATION SERVICE

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## WEST EUROPE REPORT

No. 1981

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## INTEREST IN ALTERNATE ENERGY PROJECTS DIMINISHING

Copenhagen INFORMATION in Danish 8-9 May 82 p 7

[Article by Torgny Møller]

[Text] Apparently, nobody is any longer interested in solar energy, wind energy or biogas.

The development of the permanent energy sources which, according to the government's Energy Plan of 1981, will cover 6 percent of the total energy consumption in the year 2000, has stopped. After the construction, in the course of the past decade, of a couple of thousand solar heating plants, nearly 1,000 wind energy generators, and approximately 20 biogas plants, the manufacturers are, at present, closing down their factories and the production plants which were established in the expectation of both a considerable domestic market and an equally large export market because Denmark until now has been among the leading countries in the world.

According to the Energy Plan of 1981, "the government estimates that, through special efforts in the development of permanent energy sources, these energy sources will cover 6 percent of the fuel consumption by the year 2000," and that "a possible distribution on the various types of plants might be as follows: 60,000 solar heating plants, 150,000 heat pumps, 120,000 straw and wood furnaces, 5,000 biogas plants, and 60,000 fairly small wind energy generators." The Energy Plan of 1981 adds that "environmental considerations call for a reduction of the number of heat pumps, straw and wood furnaces and an increase in the number of wind energy generators and biogas plants."

In actual fact, the opposite has taken place: There has been an explosive increase in the number of straw and wood furnaces as well as electric heat pumps, whereas the development of plants using solar energy, wind energy, and biogas has stopped. Whereas mass production of solar heating plants and wind energy generators got started, and scores of factories planned their production according to the picture outlined by the Energy Plan of 1981, not a single biogas plant became mass produced.

## Twenty-Five Solar Heating Plant Manufacturers Gone

"There is no doubt as to the future prospects of solar energy--the question merely is how many manufacturers will manage to survive," the chairman of the Association of Solar Heating Plant Manufacturers, Per Alling, states.

"This is clearly a reflection of the seriousness of the situation. In 1978, 12-15 million kroner worth of solar heating plants were sold on the domestic market. The year 1979 was marked by the fact that subsidies were granted only as of the month of September. On the other hand, 12-15 million kroner worth of plants were sold in the course of the next 4 months. But, in 1981, the figure had dropped to between 5 and 6 million kroner. To us, there is no doubt as to what happened. In 1979, as is well-known, straw and wood furnaces were the big thing, and they accounted for the major part of the subsidies granted. In 1981, nearly all subsidies for permanent energy sources were spent on heat pumps, which have got nothing to do with permanent energy sources. It is hard not to become suspicious of any underlying reasons for placing these electric heating systems within the framework of the subsidies."

The reason why solar heating has had such limited success is, in the opinion of Per Alling, not difficult to discern: "The usual thing has happened which, apparently, happens each time experts of the public authorities deal with energy sources: They want to try to make them cover everything, thus both space heating and hot water consumption. For that purpose, research has been done on large, ambitious and very costly plants which then turn out not being profitable. I have, for example, in mind solar heating plants costing 50,000-100,000 kroner which have been shown to save a single-family home 1,500 liters of oil annually. When it cannot be done, which most of the experts have felt from the beginning, and which not very many manufacturers of these plants would dream of promising people, well, then they say that solar heating does not work. And this is then being advertised all over the place. On the other hand, the fact that they have known from the start that a plant costing approximately 25,000 kroner would save the owner 1,000 liters of oil and would thus be a reasonable way of obtaining hot water part of the year, even at a reasonable cost, has scarcely caused the same reaction. It may be said in the way that solar heating has, for the time being, been hit by a combination of wrong plants, i.e. large, costly, and unprofitable plants, as well as a general delusion that solar heating may be used for just anything--unfortunately aided by well-meaning people. On the other hand, I have no doubt that solar heating plants will gain a foothold in the long run once people come to realize what solar energy may be used for and, not least, what it may not be used for. But this presupposes that the experts of the public authorities stop regarding permanent energy sources as an area where each individual energy source will be able to cover everything, whereupon it is discarded because it cannot, and that they instead take advantage of the fact that permanent energy sources may, with reason, be combined and be used each for its own purpose."

Per Alling states that whereas, in the fall of 1979, there were 30 solar heating plant manufacturers in Denmark, there are today only 5-6 left. In 1979, more than 100 jobs had been created with the manufacturers and their subcontractors. Today, only about 30 of these jobs are left.



The situation today is such that there is actually only room for one manufacturer in the market, says Per Alling. The reason is that the market for solar heating plants has largely disappeared because people have not been able to obtain subsidies in early 1982.

"In addition, one may draw the conclusion from the system of subsidies that people, of course, will go for the most profitable plants, and that has meant so far that solar heating plants have remained more or less uninteresting, for example in 1981 when the first 2 months of the year were without subsidies and where the rest of the year was marked by the lack of demand."

#### A total of 700 New Jobs in Wind Energy Generator Field

As far as wind energy generator projects are concerned, the situation is largely the same as in the case of solar heating projects, says the chairman of the Association of Danish Wind Energy Generator Owners, Per Lauritsen, Danish Wind Energy Generating Plants. Also wind energy generator projects were, in 1981, affected by the fact that heat pumps accounted for the major part of subsidies to permanent energy projects, and also Per Lauritsen finds it difficult to see how it is possible permanently to replace oil by electric power, he says. That is why he is gratified to learn that the percentage of subsidies to heat pump projects has been reduced.

"On the other hand, oil prices are stagnating, whereas wind energy generators increase in price after having been sold, during the first few years, at low prices because the manufacturers wanted to get a foothold on the market, so, today, people think twice before buying wind energy generators. To this comes that everybody has been waiting for the subsidies till some time in March. The result is that the expansion in the use of wind energy has actually stopped.

Today, no wind energy generators are being sold. The wind energy generators which are being set up are 'old orders.' No wind energy generator manufacturers have orders for any longer than to the summer holidays. And should they get such orders, the power plants will effectively stop people because the new supply regulations sent by the Association of Danish Power Plants to all power plants contain a regulation to the effect that the power plants shall, in the future, be entitled to cut off the connection to the wind energy generator at 6 months' notice. That means that the credit institution can no longer finance the wind energy generators, and since not very many people have several hundred thousand kroner themselves, an effective stoppage has been put to the development of wind energy, which some electric power companies are not too happy about, in particular, because the last 5-10 years have shown that Danish wind energy generators not only work but that, as far as their quality is concerned, they are among the best ones in the world, to which numerous export contracts bear witness," says Per Lauritsen.

The chairman of the Association of Danish Wind Energy Generator Manufacturers, Birger Madsen, tells INFORMATION that, at the turn of the year, the manufacturers carried through a study showing the production capacity of the factories today.



"According to the said study, the wind energy generator industry today has a capacity of 700 wind energy generators per year, and just as many full-year jobs have been created, but the capacity has not been exploited because people have had to wait for 3 months before getting subsidies this year. And, today, when subsidies are available, the market has completely disappeared. At the moment, the factories, therefore, are using only one third of their capacity, and things will get worse once the old orders have been filled. But, as the situation is at present, we have got the production capacity, i.e. the buildings and the machinery, ready for 700 employees. It is just a question of employing these people. We have, moreover, made our calculations on the basis of the 60,000 wind energy generators to be constructed by the year 2000 according to the Energy Plan of 1981 of the Ministry of Energy. That will require an annual growth of 25 percent until 1990. The production capacity will then be between 2,500 and 3,000 wind energy generators per year, and since the number of wind energy generators for export will have to be added to this number, the number of jobs will increase to between 6,000 and 10,000. But, at the moment, everything has come to a standstill."

#### Not a Single Biogas Plant

Birger Madsen points out that the lack of interest among prospective customers may be due to the reduction of the percentage of subsidies from 30 to 20 percent as well as the fact that a number of electric power companies are still trying to obstruct the development of wind energy. A power company near Randers has thus for the time being successfully refused to comply with a decision from the Electricity Price Committee, maintaining that the company has to impose a 'load charge' on wind energy generators. This charge means that, during the first years when the economic advantages are still small, wind energy generators will be a losing business to the owners.

Thomas Kronborg, chief of section, of the Energy Board, tells INFORMATION that the situation in respect of biogas plants is even more gloomy: "Actually, no subsidies have as yet been given to a single biogas plant beyond a few municipal water treatment plants. To this comes that there are no biogas plants on the market which have been approved, and I do not believe that any plants will be built without subsidies beyond the somewhat older private pilot plants which were built long ago. So, apparently, nothing at all is happening in the field of biogas toward a development of these plants."

Thomas Kronborg adds: "As far as solar heating plants and wind energy generators are concerned, I may confirm that it is correct that everything evidently has come to a standstill. That is something which also we have noticed. It looks as if there is a need for further efforts, and that is something which we are working on. However, I do not want to discuss right now how this is going to happen. But it looks as if there is a need for drastic steps to prevent everything from coming to a standstill. And we are working on it."

7262

CSO: 3106/117

## BRIEFS

HYDROELECTRIC POWER PLANT FOR ILULISSAT--Next year, the projecting of hydroelectric power plants at Nuuk and Paamiut will be started. This year's testings will cost 30 million kroner. The Joint Council on Raw Materials in Greenland decided at a meeting in Copenhagen to continue the testings this year and next year with a view to the construction of hydroelectric power plants in the vicinity of the said towns. The strike of telegraph operators last year prevented the testings on the East Coast from being carried through, and the testing program, therefore, has been revised on a number of points. It has thus been decided to stop the testings at Redekammen in the Julianehåb district as it turned out that the basin is not as suited for hydroelectric power as other basins in the area. But north of Jakobshavn near Paakitsoq, a very good possibility was found last year of making hydroelectric power which can produce approximately the same amount of power which the shrimp-processing town is using today. That will be given higher priority. Jakobshavn, as is well-known, will be getting a new power plant in the mid-eighties. The Joint Council adopted plans to project a hydroelectric power plant at Jakobshavn as early as next year. Nuuk and Paamiut/Frederikshåb have hitherto been given high priority under the hydroelectric power program, and this has not been departed from. And, as far as the two towns are concerned, it is endeavored to start the projecting of the hydroelectric power plants already next year. Sisimiut/Holsteinsborg and Nanortalik have also been given high priority under the hydroelectric program. The tests this year will cost 30 million kroner, and the EC will pay half the costs. [Text] [Godthaab GRØNLANDSPOSTEN in Danish 28 Apr 82 p 4] 7262

CSO: 3106/117

## ELF BEGINS STOCKING IZAUTE RESERVOIR WITH GAS

Paris LE MONDE in French 5 May 82 p 20

[Article by Philippe Ducos: "Armagnac: 2 Years to Fill France's Biggest Underground Reservoir with Gas"]

[Text] Auch--In Armagnac, at the line between the Gers and the Landes, Elf-Aquitaine is overdoing it: in a setting of pine woods and vineyards, it has had the "Christmas trees" painted green--that is, the gate valves on top of the wells drilled since last Spring on the Izaute site, one of the 11 underground gas reservoirs presently in service in France (see LE MONDE of 10 June 1981). They will later be masked by plantings of chestnut trees.

Last summer, thousands of tourists visited the region without apparently being shocked by what was happening. The lodgings in the country were always full. Nevertheless, 240 million cubic meters of natural gas from the Lacq deposit nearby was injected under this valuable land, which during those warm months nourished quite an exceptional harvest of wine.

This was the beginning of the program of exploration and experimental management of the underground reservoir discovered here by the "oil people" 25 years ago. Subject to a new permit, Elf-Aquitaine will inject an additional 510 million cubic meters starting in May, and then will do the first drawing-off during the winter.

The filling of the natural reservoir will take another 2 years. According to the engineers, the site, situated in the communes of Caupenne and Laujuzan, offers a good many qualities: suitable subsoil structuring, reservoir rock of excellent holding properties, good guarantee of tightness of the cover. It is already one of the key elements in the national system for storage and transport of gas.

One might be surprised by its location. Ten kilometers from it, in Landes country, the Lussagnet reserve, which, following that of Beynes, in the Yvelines, was the second underground storage reservoir installed in France, has been functioning for a quarter of a century. It is already used to store 1.3 billion cubic meters of gas from Lacq. In 1957, the Lussagnet site, which is smaller, was preferred to its neighbor Izaute, which is twice as vast. The technique of natural underground reservoirs was still in its infancy.

Why inject gas at Izaute today when the Lussagnet reservoir and the natural deposit of Lacq already exist nearby?

Elf-Aquitaine's engineers answer that the Lacq deposit is beginning to decline, and that in 4 years, its production will be reduced seriously. The Southwest, heretofore an exporter of energy, is going to have to import gas. Storage facilities are therefore necessary. The fact is mainly that sedimentary basins, gas traps such as that of Armagnac, can be counted on the fingers of one hand in France. Izaute is a site of national interest. With its theoretical capacity of 3 billion cubic meters, it is even the best. It will be capable by itself of holding one-third of the volume that Gaz de France considers it necessary to store in underground reservoirs in 1990.

In March 1977, 5 years ago already, Elf-Aquitaine began with exploration of the site, digging seven shafts that touch the water-gorged rock 800 meters underground. When the trap proved both solid and vast, a second drilling campaign was begun in Spring 1981 at 11 new spots. Installations have been built to separate the water from the gas, pipe systems connecting the 18 wells have been laid, and a pipeline has been installed to Lussagnet.

#### A 10-Kilometer Pipeline

A veritable factory extending over several hectares is necessary in order to put the gas under pressure, inject it, withdraw it, expand it and treat it. Here, it has been possible to do without these heavy installations since they are already functioning at Lussagnet. Izaute is therefore connected to its ancestor by a 10-kilometer pipeline. On site, there remain only the "Christmas trees" marking the wells and some automatic pickups that transmit their installations to a control room. Everything is remote-controlled. The disadvantage is that no jobs have been created in the communes concerned.

An underground gas reservoir is unobtrusive by nature. Elf-Aquitaine was content to purchase a few dozen hectares for siting the wells and the piping. Cost: Fr 3 million out of the Fr 125 million in total investments. The drilling itself disturbed the region's life very little. A protective association of the farmers of the lower Armagnac had only an ephemeral existence. The local Friends of the Earth group launched a late crusade that hardly mobilized any crowds. An Armagnac antipollution committee is still flourishing its sword against the "project," which it calls "useless and dangerous."

All this hardly holds up against the employment and real-estate taxes that are going to fall into the coffers of the communes of Caupenne and Laujuzan; their receipts will double.

Incidents? At Nogaro, 8 kilometers from the site, sand suddenly came up in a drinking-water well when the gas was injected. The well was capped off, and Elf-Aquitaine is in the process of digging another at its expense.\* The debate

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\* But a supplementary study has been requested from the experts of the BRGM (Bureau of Geological and Mining Exploration). Its results are currently under examination in the Ministry of Environment.

has centered instead on the name to be given to the reservoir. Caupenne-Laujuzan, from the names of the two communes where it is located? No panache. What about Armagnac, the name of the region? Bad publicity, in the view of the producers of the natural Armagnac brandy. So the name Izaute was decided on, after a modest local watercourse--a sort of anonymity.

11267

CSO: 3100/665

## ENERGY MINISTER ELIASSON COMMENTS ON GOVERNMENT OIL POLICY

Stockholm SVENSKA DAGBLADET in Swedish 4 May 82 p 3

[Article by Ingemar Eliasson, Labor and Energy Minister (Liberal Party)]

[Text] Changes occur rapidly on the oil market. The previous shortage with constantly rising prices has been replaced by a surplus and falling prices. Some experts predict that the situation will continue for several years and that the price could even drop to \$20 per barrel. I would warn against such speculation, however, and especially against making plans based on such speculation, such as postponing investments aimed at replacing oil.

I would like to mention that during the seventies we had a similar situation. After the initial oil price shock in 1973 and 1974, we experienced a period between 1974 and 1979 with a stable or falling real oil price. The revolution in Iran caused an abrupt halt in this trend, however. The price rose again drastically. It is not unlikely that something similar could happen again.

#### Lower Reserves Needed

There are several reasons for the present surplus on the market. The economic slump and the accompanying low industrial activity in the West is one of the most important reasons. New oil-producing countries have also appeared. Another important reason is that most Western industrial countries have policies similar to that of Sweden--energy conservation is stimulated and investments are made in measures to replace oil. This policy has been successful in many places, resulting in lower oil imports.

A significant reason why less oil was purchased last year than earlier this year is that there probably was a sharp reduction in reserves throughout the entire industrialized world. Since consumption is decreasing, the need to maintain large reserves also is decreasing. The reserves are used primarily to cover interruptions in deliveries.

If consumption decreases, then lower reserves are needed to maintain the same level of preparedness. This has a double effect on the oil market. Oil consumption decreases, but oil imports to various countries decrease even more since part of the consumption is covered by reductions in domestic reserves.



## Sudden Change

Some of the reasons for the favorable situation today probably will remain, while others may change--sometimes drastically and suddenly. I will point out several factors that may push oil prices up. When the economic situation improves, the demand for oil will surely increase. It is difficult to predict how much demand will increase and what real effect this will have on prices.

Of course, it depends in part on how great the growth rate is in industrial production and in part on the energy efficiency we achieve. New technology often requires less energy than old technology. It depends also in part on whether the OPEC countries succeed in their efforts to maintain the production volume at a level that will permit them to set prices. Of course, the chances of this are greater in a situation where demand is on the rise.

## No Far-Reaching Conclusions

A large portion of the world's oil comes from the politically unstable Middle East. Just over 30 percent of the world's crude oil production in 1980 was in countries in this region. A political crisis in this troubled corner of the world would have an immediate and extremely drastic effect on the world's oil supply. An interruption in deliveries would have extremely serious consequences for Sweden. Over 50 percent of our crude oil imports in 1981 came from the Middle East.

Thus, there are good reasons not to draw any far-reaching conclusions from the present situation. We should also be aware that the difference between surplus and shortage on the oil market is extremely small. It is estimated that the surplus presently is 2 million barrels per day.

## Vulnerable to Interruptions

Sweden is highly oil-dependent. About 60 percent of our energy consumption is based on oil. There are many reasons to reduce drastically our use of oil. Heavy dependence on imported raw materials makes us vulnerable to interruptions on the market. The cost of petroleum products has placed a greater and greater stress on our trade balance.

In 1970 oil imports cost us 3.5 billion kronor. By 1981 our oil bill was up to 29 billion. Oil imports in 1970 corresponded to 8.4 percent of our exports for the year. In 1981, 19.9 percent of our exports went toward financing our oil imports.

The government and parliament have established a program to replace oil, calling for a reduction by one third of our oil imports by 1990. Domestic solid fuels and coal will replace 6 million tons of oil, each replacing half that figure. Alternative fuels and solar energy, including small heat pumps, will replace 1 million tons of oil.

Converting from oil to electricity for heating will save 1 million tons of

oil. In the Stockholm region, 1 million tons of oil for heating will be replaced. Along with the energy conservation program, this will save a total of 12 million tons which will be either replaced by other energy sources or saved.

#### Clear Decline

Various means of control must be used to achieve this goal. The law on solid fuel utilization contains regulations stating that large new power plants must be constructed so that they may be fired with solid fuels. Smaller plants must be able to utilize solid domestic fuel without extensive reconstruction or additions.

By 1 July the municipalities must approve plans to reduce their oil dependence. These plans must be politically based and, for this reason, must be approved by the municipal councils. The Oil Replacement Fund will provide economic support to municipalities and companies for measures designed to replace oil and save energy. The fund has 1.7 billion kronor at its disposal for its first 3 years of operation.

Another important means of control is price. It is important for those who invest in measures to replace oil to understand that this will be profitable. During the seventies we had a clear reduction in the relative use of oil (use of oil per unit produced). There is a clear connection between this reduction and the rising real price of oil.

#### Room for Price Decreases

Thus, there is every reason to increase the real price of oil in the future in various ways--regardless of temporary price changes on the international oil market. For this reason, the government has stated (Prop. 1979/80: 150) that it will use taxes to bring about a gradual increase in the cost of energy. With regard to oil, it has been stated on several occasions that a reasonable figure would be a real price increase of, on the average, 2 percent annually.

Such statements sometimes have been misinterpreted and some have concluded that price reductions on the international market would have no impact in Sweden. This is incorrect. Of course, the oil companies will reduce their prices in Sweden when possible, based on the market. There is room for this, too. During 1981 the price of home heating oil increased by about 30 percent, which corresponds to a real price increase of just over 15 percent. The price rises were due, among other things, to the rising value of the dollar, the devaluation, and increases in the energy tax.

Thus, there is a wide margin for decreased consumer prices for various petroleum products before the government must feel called upon to step in with measures to maintain the 2 percent increase.

## Low Gasoline Price

Some have questioned the government's price policy. They say it is wrong to maintain a high oil price by political means. I would confront them with the same arguments used previously in this article, namely that it is necessary to reduce our oil dependence. If we are to succeed in this, we must use the price of oil as one means of control.

It should also be pointed out in this connection that we are not alone in conducting this type of policy. Taxes on petroleum products have been increased at least as much in other Western countries as in Sweden in recent years. Several countries now are considering tax increases to counterbalance the price drop on the oil market. An international comparison shows that Sweden by no means has extremely high prices for heating oil or gasoline. Those who drive through Europe on vacation are especially aware of this.

On 3 March, 1 liter of gasoline cost, on the average, 3.77 kronor per liter in Sweden. This means that we have almost the lowest gasoline price in Western Europe. Even oil-producing Norway is higher with a gasoline price of 4.27 Swedish kronor per liter. At the same time, 1 cubic meter of heating oil cost 2,070 kronor in Sweden. This price puts us in seventh place in Western Europe. Heating oil cost 2,149 Swedish kronor in Norway.

How, then, is the oil replacement and conservation program going? Will the goals set by parliament be achieved? These questions are being asked, but it is not yet possible to give a clear answer. As mentioned above, parliament set its energy policy guidelines in the fall of 1981. No studies are yet available that provide any certain conclusions.

It may be said in general with regard to the oil replacement program, however, that the conversion to electricity for heating is proceeding approximately according to parliament's plan. It seems that more large heat pumps are being used. Coal utilization is proceeding approximately according to plan, except in the large cities where the situation is unclear. Little may be said about the use of peat because of the long planning periods required. Many promising projects are underway, but how many will become reality remains to be seen.

The available statistics are also uncertain with regard to the conservation plan. They provide no basis for determining precisely how much we have saved. The government and the Energy Management Commission are working to create a better picture of the situation and a better statistical foundation.

## On the Right Track

Several facts indicate that we are on the right track, however. Energy efficiency in this country has improved. I mentioned previously that the relative use of energy is decreasing. Energy utilization per unit produced was 15 percent lower in 1981 than before the first oil crisis in 1973. Oil utilization per unit produced was 30 percent lower than in 1973. This indicates

that energy is being saved and that there is a transition from oil to other energy sources.

A sharp decline in oil consumption was noted between 1979 and 1981. Preliminary figures indicate that it decreased by 3.5 to 4 million tons. There are several reasons for this decrease.

Based on the conclusions of the National Industrial Board, it may be estimated that a small portion is due to the present economic slump. About one third is the result of nuclear power used to replace oil to generate electricity. Other factors are energy conservation, conversion to electricity and other fuels, etc.

9336

CSO: 3109/159

## BRIEFS

COPENHAGEN INCREASING BLOCK-GRANT AMOUNTS--Greenland will, in the future, receive more money from the Danish Treasury in the form of bigger block grant amounts--but less than Greenland had demanded. Agreement on this was reached recently by the local Greenland government and the Danish government. The agreement was preceded by intense negotiations and a last minute attempt on the part of Jonathan Motzfeldt, chairman of the local government, to improve the outcome of the negotiations through a meeting with Prime Minister Anker Jørgensen. On the basis of the hitherto regulator--the gross domestic product at factor cost--the block grant has been adjusted by 7-9 percent annually during the first 3 years of the home rule government, while the increases in prices and incomes during the same years have been 3-4 percent higher. The Danish state has now agreed to adjust the Greenland block grants of 553 million kroner on the basis of increases in prices and incomes, which will give Greenland approximately 20 million kroner more next year on the basis of the present adjustment. At the same time, Greenland will receive an additional payment of deferred increases in block grants of approximately 6 million kroner annually as well as a number of minor amounts of compensation. But, at the same time, Greenland will, in the future, have to hand over the revenues from the Greenex Mine at Marmorilik which, hitherto, have largely been paid to the local Greenland Treasury. The profits from the mine will, for 1982, probably amount to at least 60 million kroner and will, as of 1983, be set off against the block grant, as is actually provided under the legislation governing mining. On a net basis, Greenland thus loses 20-30 million kroner in annual revenues. Minister for Greenland Affairs Tove Lindbo Larsen made it clear that there will be no more changes in the methods of calculation for the Greenland block grants, whereas Jonathan Motzfeldt is still of the opinion that the method of adjustment is negotiable. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 18 May 82 p 8] 7262

CSO: 3106/117

LAMBSDORFF ON PARIS SUMMIT, BUDGET PROBLEMS

DW071207 Hamburg BILD in German 7 Jun 82 pp 1, 2

[Interview with FRG Economics Minister Otto Graf Lambsdorff by Axel-Rabinowitsch; date and place not given]

[Text] BILD: Will U.S. President Reagan see to it that interest rates will fall following the world economic summit?

Lambsdorff: Lower interest rates depend, above all, on the United States reducing its budget deficit. I don't believe it will do that now. Therefore, we will have to wait some time yet for lower interest rates.

BILD: Won't the planned higher interest rates on credits for the East harm our trade with the East?

Lambsdorff: They won't if all industrial states increase their interest rates on credits as envisaged.

BILD: Will the Americans insist on further restrictions in trade with the East?

Lambsdorff: Restrictions are possible only regarding goods that are useful militarily for the East bloc. However, there is full agreement in this respect between the United States and the Federal Republic.

BILD: Will the summit be followed by the desired economic upsurge?

Lambsdorff: Nobody had a patent recipe for that. However, mutual confidence has grown. We can overcome our economic difficulties more quickly if we all pull together in the future.

BILD: In Bonn the 1983 budget deliberations are forthcoming. How much must be saved?

Lambsdorff: I estimate DM6-8 billion.



BILD: The chancellor and the SPD are insisting on sacrifices by the higher income groups....

Lambsdorff: I am for socially balanced burdens, too. However, I want to know, first of all, who the higher income groups are and what their burden will be.

BILD: By a supplementary tax?

Lambsdorff: No, I am in agreement with Finance Minister Lahnstein that taxes and duties will not be increased.

BILD: Where is the money supposed to come from?

Lambsdorff: From cutbacks in subsidies and social services. If we are unable to agree on individual measures we will have to resort to cutting all subsidies equally by a certain percentage.

BILD: Former Federal Bank President Klasen proposed a waiting period for payments [karenz-tage] in case of sickness.

Lambsdorff: I don't know whether we will consider this, but one thing is sure: the unlimited continued payment of wages in event of sickness has created an annoying area for abuse. If Mr Klasen now wants to limit this, I can only say that he is a sensible man.

CSO: 3103/499

## COMMENTATOR SEES PARIS ECONOMIC SUMMIT AS FAILURE

DW071125 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 7 Jun 82 p 12

[Commentary signed - CK.: "Costly Failure"]

[Text] The political signal which America wanted to give to Moscow in Paris failed completely. The Europeans almost totally blocked the American president at the Paris meeting. That will have consequences not only for the forthcoming NATO summit conference in Bonn, but also for the already irritated mood of the American people and congress. Regarding the subject itself, the president came to Paris with suggestions which were by no means unreasonable. He wanted to reduce credits for Moscow to a reasonable level and to apply the same interest conditions to the USSR as to every other industrial country, thus incontestably decreasing, so to speak naturally, the West-East transfer of technology, which is a great help to the communist system. After tough discussions the Europeans, headed by Mitterrand and Schmidt, forced through a formula which says: business as usual--business (with the East) as usual. They do not even want to increase loan interest rates, although strangely enough Moscow enjoys the privileged status of a developing country; much less do they want to limit or even decrease the current amount of credit. They want themselves to be guided by "commercial caution" with regard to export credits, a formula which belongs to a meeting of bankers. There is no talk of political caution or of paying attention to political considerations.

After such a brusque rejection of American wishes, the Europeans should not be surprised that such little attention was paid to their own demands. It is hard to see anyway why the dollar's exchange rate, whose ups and downs reflect not only the commercial but primarily the general political situation, should be artificially stabilized. To give the Europeans better export opportunities? There was also the continuing issue of "much too high American interest rates," which allegedly make an economic upswing impossible in this country. If they wanted to mobilize the influence of the president, as limited as it may be, for their own cause, Mitterrand and Schmidt should have acted somewhat more diplomatically in Paris. The whole thing is a failure which will have consequences.

CSO: 3103/499

## INDUSTRIAL POLICY SEEN IN TERMS OF RESTRUCTURING, 1981 RESULTS

## Industry Top Socialist Priority

Paris LE MONDE in French 4 May 82 p 44

[Article by Michel Charzat, a National Assembly deputy from Paris and national secretary of the PS for the public sector: "Priority to Industry"]

[Text] The 1980 socialist proposal of a grand design for France stated the necessity of restoring the value of work by reconciling the people and industry.

Since 10 May 1981 this country has decided to meet the challenges of a dangerous decade. Along with a change of government, this country has opted for greater social cohesion and a deliberate effort at industrial development.

First, discouragement and laissez-faire had to be stopped. Solidarity was the first step toward economic recovery. Despite a very unfavorable international environment, Messrs Mauroy and Delors succeeded. Messrs Chirac and Fourcade were much less fortunate in 1976.

Restimulating the economy made it possible to stabilize unemployment and the deindustrialization race. Since the beginning of the year, bankruptcies have decreased 25 percent and the formation of companies has increased 17 percent relative to the same period in 1981. The personnel employed by business increased by 30,000 people in the preceding quarter.

It was also necessary to break off the neo-libertarian "redeployment" that had thrown our production apparatus out of kilter in recent years. The new way of thinking emphasizes a homogeneous economic fabric for a strong national industry, an economy that can promote synergy particularly along the lines that link together the various stages of production. Sector plans and innovative solutions have been proposed to all the branches dominated by private industry; answers have been given to specific problems: shipbuilding, railways, machine tools, etc. Several tens of thousands of jobs have thus been preserved.

Finally, the means of fulfilling our ambition had to be acquired. We want to protect our basic industries and our small and medium-sized businesses even as we make the transition to a new technological age. We want to create jobs, reestablish a balance on the domestic market and modernize our productive potential. Industries and banks have been nationalized to meet these objectives. This has been done under good conditions, with no unnecessary trauma in this country or abroad.

National corporations are a center of training and development, and they are our armored divisions in the economic war. The expansion of the public sector fills a necessary but insufficient condition.

Another step must be taken to ensure the lasting recovery of investment, namely an industrial counteroffensive strategy; this will also ensure that the recovery will be supported by solidarity, which shows signs of running out of steam in the sluggishness of international recovery.

The majority will finally be judged according to its ability to muster voluntary action in ensuring the country's competitive reindustrialization. Industry has the highest priority, along with training, national education and research.

In the short run, it is necessary to "prime the pump." In this country, history shows that investment recovery has always been started by national programs.

National corporations, as is well known, need Fr 20-25 billion in 1983. To help them meet their objectives, the state must act as stockholder and provide participatory loans at privileged rates. Society as a whole can also be called upon to support national corporation programs by means of loans. That involves a choice that has implications for the future. Beginning in autumn, national corporations can expect results from their planning and have the national economy profit from them. Thus, recent measures taken to favor business will prove to be fully effective.

Over the long term, the left plans to bring a decisive innovation to full fruition: assuring the preponderance of creators and producers of wealth over the coupon-clippers of all kinds who are taking their cut from French society.

Speculating and hoarding are firmly entrenched; they must be strongly resisted. Privilege, inherited income and corporate feudalism must yield to the spirit of enterprise and the general interest. The instruments for achieving this national goal will be tax and social programs reform and the redirection of monetary flow.

### Three Golden Rules

Giving priority to industry and, with all due consideration, bringing 21st-century management techniques to France call for a change in French society. The state must set the example for this intellectual and cultural reform by making sure that its participation meets the three golden rules of consistency, clarity and economic democracy.

**Consistency:** Industrial policy does not consist of putting together the plans of companies or branches. What is good for Elf-Aquitaine is not necessarily good for the country. The general competitiveness of the economy will be stimulated by the quest for consistency and complementarity between large projects, investment, technology, financing and vocational training.

Several levels of public participation must be defined:

Large projects begun on state initiative will depend on public organizations or agencies for supervision. These projects will be limited in number and are ones in which technological and political considerations predominate (e.g. large public telecommunications systems, integrated circuits, information processing, space and aeronautics).

Mobilizing programs providing impetus to the areas most promising for the future, ones in which business alone can effectively put a strategy into practice following consultation and under the direction of government authorities: electronics, biotechnology, robotics, energy conservation, light chemistry, business information systems, etc.

Support action for the restructuring and modernization of traditional industries (textiles, heavy chemistry, machine tools, wood, etc.) and aid for the spread of technical progress in certain sectors, e.g. mechanics.

Finally, undifferentiated action to help establish innovative businesses. To be effective, this stimulative activity should ignore all limitations by sector and be concentrated on the small and medium-sized businesses and involve concerted action from the administrative and banking apparatus.

Clarity: The clarification and simplification of economic and social rules is mandatory. The need for clarity must modify the spirit in which procedures are set forth and credits allocated. It is no longer a matter of financing the same things through capital operations and industrial aid. Every taxpayer's franc should be subject to follow-up and audit.

It is time France stopped being "cut in two by a cashier's window." Rather than increasing assistance, we must have people who can talk to businessmen in their own language and who can help them by cutting red tape, if necessary.

It is also indispensable, as has been said, to expand the public sector to the rest of industry. That is the condition for national corporations' exercising leadership within the industrial fabric in general.

Government authorities must trample upon administrative parochialisms and organize more rationally the action of the principal ministries: industry, research, the economy, and planning.

Economic Democracy: While the nature of social relations in the countries around us was adapting to the increasing complexity in technology and business management, the French ruling class never faced up to accepting this necessary evolution.

Our socio-economic crisis strategy calls for the rallying of vital forces to a common project. The rise of new rights for wage earners will free up initiatives that have been too often sabotaged and will have productivity take a great leap forward.

The only deposit of natural wealth that France has is the quality of its craftsmen and its scientific potential. Industrial policy and economic democracy are major factors favoring the increase of knowledge and expertise as well as the transfer of knowledge in the workplace and in everyday life.

The time has come to propose to those involved in the change of government the terms of a social contract negotiated generally and in detail by branches, businesses and regions: to decide on clear objectives, to formulate mutual commitments, and to arbitrate democratically in allocating society's resources for energy, military and industrial independence and for the general welfare and protection of society.



Some people will be obliged to share a portion of their authority, while others will take on the responsibilities of management. Many will have to improve the use of machines, equipment and infrastructures in order to lighten workloads even as our competitive position is improved. The French understand that work is the price of national independence and of any new social advancement. They know that the majority's promises will be kept, and they accept the fact that it will take the term of the legislature or the president to achieve some of the goals.

Because they involve the future of the country and the fate of us all, industrial policy and economic democracy will be the cornerstone of national recovery.

#### Thomson's First Deficit

Paris LE MONDE in French 6 May 82 p 34

[Article: "The Thomson Group Announces the First Deficit in its History"]

[Text] The Thomson-Brandt company, consolidating its accounts with those of its subsidiary, Thomson-CSF, announced a loss of Fr 180 million in 1981, the first loss in its history, after a profit of Fr 502 million in 1980. Its business volume went from Fr 36.54 billion to Fr 43.6 billion, Fr 20.1 billion of which were for sales abroad (46 percent); direct exports came to Fr 14 billion (37.3 percent). Germany was first in the group's industrial activity, followed by Italy and Spain.

The two main sectors--general public items (household appliances, radio and television) and professional electronics--showed satisfactory results. On the other hand, heavy losses were taken in color television tubes and public telephone switching equipment, medicine (the former General Radiology Company) and electronic components, which weighed heavily in the general results.

Telephone equipment "sank" the group in 1981. The Thomson-CSF subsidiary showed a profit, as in 1980, of Fr 700 million in a total volume of Fr 25 billion (48.5 percent abroad), but Thomson-CSF had to set aside Fr 225 million for future losses on long-term contracts, which is not tax deductible. In sum, Thomson-CSF ran a deficit of Fr 63.2 million as opposed to a profit of Fr 279.3 million in 1980. This spectacular reversal is due to the spectacular shrinkage of business in the telephone division, where personnel decreased from 18,000 to 11,000 people after mergers with Telephone Equipment (LMT), ceded by ITT [International Telephone & Telegraph] and Ericsson, not to mention the takeover of a part of the installations of the AOIP [expansion unknown].

The transition from electro-mechanical switching (Crosbar system) to electronic switching (timing system) cuts personnel needs by one-fourth, and speeding up the changeover, which had been planned to begin in 1985, has caused heavy damage.

The new general administrator and future president and general director, Mr Alain Gomez, announced that Thomson-CSF, a company listed on the stock exchange, would not declare a dividend for 1981, and he forecast losses "perhaps as great" for 1982, because recovery cannot take place before the end of the year. At his first press conference, Mr Gomez struck a "commando" pose: "This means war."



It's getting to be a harder world out there, and Japan is the enemy." Speaking of journalists, they were urged to become "war correspondents" on the "industrial battlefield" and were accused of being "unfair" toward the Thomson group. "Please don't shoot the piano player before he's finished his piece." Some so-called "indiscreet" questions about the group's activity got short shrift. What, exactly, were the losses in the telephone division? No comment. Is there still room for two manufacturers in the telephone industry (with CIT [Telephone Industry Company]-Alcatel)? No comment. "Go talk to the main stockholder, the state."

#### Rhone-Poulenc Reduces Deficit

Paris LE MONDE in French 5 May 82 p 45

[Article: "Rhone-Poulenc, the Number One Chemical Company in France, Publishes a 'Reassuring' Health Report"]

[Text] The health of Rhone-Poulenc, the foremost chemical company in France, is gradually improving. Despite huge difficulties due to the economic situation, the group succeeded in reducing its deficit in 1981 to a rate about equal to that of inflation (13.5 percent).

The group's consolidated accounts for the past fiscal year (except for unusual cases) reflected a net loss of Fr 587 million as opposed to Fr 678 million in the previous year. Business volume increased 19 percent (4 percent in volume) to Fr 35.93 billion in contracted taxable income.

Actually, the improvement is even more striking. By adding capital gains from spinoffs (Fr 128 million as opposed to Fr 701 million) and tax savings (Fr 317 million) and subtracting textile and chemical restructuring costs (Fr 91 million as opposed to Fr 1 62 billion), the deficit comes to only Fr 335 million, while it was Fr 1.947 billion on 31 December 1980.

This is the accountants' figure on the balance sheet. It reflects the group's actual financial situation but not the economic situation reflected by the first result (the loss of Fr 587 million) and also by the large increase in operating costs (except for unusual cases) of Fr 2.843 billion (up 31.7 percent). For the first quarter of 1982, the "health report" states that there has been a significant recovery but makes no further comment except that it is the result of management and development work done in recent years.

The group is not out of the woods yet. Its debt service is disturbingly large (about Fr 2 billion in 1981). If the group had not been nationalized it might have reduced this amount either through disinvestment or by calling on private capital. It is calculated that it will need about Fr 3-4 billion in new money over the next 3-4 years. It is up to the state to pick up the slack. For this purpose, Mr Gandois, the general administrator said recently, "We must draw up a multi-year financing program."

## More Consumption Needed for Coal Policy Success

Paris LE MONDE in French 8 May 82 p 29

[Article by Bruno Dethomas: "The Deficit of Collieries of France Will Increase Sharply in 1982"]

[Text] Collieries of France [CdF] is going to make a Fr 1.5-billion loan on 10 May, Fr 300 million of which will go to CdF-Chemicals at a gross annual interest rate of 16.86 percent. However, company directors are still a little worried about the success of the operation. CdF's situation will worsen sharply in 1982 under the double blow of company actions taken in 1982 and the drop in prices on the world market. The Fr 5.16-billion subsidy (Fr 2.6 billion on the basis of national preference) budgeted for 1982 will therefore fall far short of what is needed.

Once the nuclear program is on track, once the French Agency for Energy Control has been established, and once the formula for setting petroleum products prices is in force, Mr Herve, the deputy minister in charge of energy, will have to tackle the thorny problem of increasing coal production. Not so long ago, the PS was saying, "We have considerable national coal resources" and proposed to "exploit this national resource to the maximum." The government now realizes that it will be difficult and very expensive to do so.

First, the matter of leadership had to be settled after the ephemeral tenure of Mr Hugon at the head of CdF and Mr Hug's nomination as general director. The manpower pool will be rounded out by Mr Maurice Legrand, who was reappointed by the last Council of Ministers to the presidency of Collieries of the Center and South, and by Mr Jean Brenas, a former prefect in Lorraine, who will soon be appointed administrator of Lorraine Collieries, where he is supposed to take over the presidency at the beginning of June. Everything is in place to draw up the multi-year program that will link the state to CdF, and it should be approved by the end of the year.

This program contract is being prepared in a situation that is anything but good.

Internationally, the drop in consumption due to the economic crisis plus the renewal of Polish exports and the clearing out of the backlog in American ports has made it possible to stabilize prices in current francs. This means that in constant francs--despite a higher-valued dollar--the drop in price of imported coal will come to 10 percent in 1982.

Under these conditions, "national preference" involves an excess cost on national coal over foreign coal of 2.5 centimes per therm (Fr 2.629 billion are allocated for national preference under the 1982 budget), and this amount will be quite inadequate, especially since legitimate social progress has sharply affected the cost of French coal. Miners have a 39-hour work week beginning 1 January and a 38-hour work week beginning 1 October. Also, a 5th week of paid vacation plus a certain number of days off according to seniority have been made universal. In an industry where labor accounts for an average of 60 percent of the cost price of mined coal, such measures will obviously have a direct effect on costs. Moreover, these measures have already made a difference between the more profitable

deposits and the less profitable ones (labor accounts for only 54 percent of the cost price of Lorraine coal and 71 percent of that from the Nord-Pas-de-Calais collieries).

### Increasing Productivity

Before being fired, Mr Petitmengin, the former general director, had showed the conditions under which the reduced work week might be acceptable to the company: maximizing infrastructures (work on Saturdays and even Sundays, which the unions do not seem ready to accept) or closing the least profitable mines. There is still no other way to improve productivity, and the ministry of Industry is ready to admit the fact (at the moment they are no longer giving any thought to reopening Ladrecht). Otherwise, the extra deficit will have to be "budgetized."

That was the suggestion of Mr Valbon, president of CdF, during a visit to Ales, the headquarters of Ladrecht and center of the Cevennes miners' resistance to the policy of reducing national production. The Fr 5.165 billion (Fr 2.531 billion of which was budgeted previously) is already inadequate, the formerly militant CGT [General Confederation of Labor] said, proposing that the sum paid by the state for national preference be brought up to date from October 1981, when it was announced. This would mean a Fr 700-million increase in 1982. Even this public treasury drain of nearly Fr 6 billion would not keep mining out of the red this year. It is out of the question to raise sales prices, otherwise industrialists will not come back to coal now that the fuel oil market is favorable.

It is understandable, then, that government authorities have been wondering what the least unpleasant policy is. Their discomfiture is reflected quite clearly in the "mission letter" sent by Messrs Dreyfus and Herve to the CdF directors on 20 April to "set the main guidelines" for preparing the program contract.

One thing is sure, though: "Increased consumption is the indispensable condition for the success of our coal policy." Paradoxically, at the very moment when CdF is having financial difficulties, the international community--including France--finds it indispensable to return to coal in order to lessen dependence on oil. This is the policy advocated by the International Energy Agency and the European Community. (The REVUE DE L'ENERGIE has devoted its latest issue to giving a complete account of the "Renewal of Coal: Outlook and Problems" (Editions Techniques et Economiques, 3 Rue Soufflot 75005 Paris.) Hence, France's "ambitious coal policy" will be based not only on preference for national coal but also on "increased coal consumption" especially through the EDF [French Electric Company] and steel production as well as industries with collective heating and "control of the necessary foreign supply and participation in the international increase in coal use."

This is a policy in which CdF sees itself playing "a major part." Yet this development must take place, if we are to believe the "mission letter," in a "competitive framework" where oil companies might intervene. This leaves the CdF directors bewildered.

This is the vicious circle that CdF, a national corporation, is locked into: how to practice an ambitious policy--and invest ---when the CdF subsidy eats up half the Industry ministry's budget every year? Mr Valbon thinks it is especially important to get a larger share of import profits. At the moment, that does not seem to be the opinion of government authorities.

#### Chemical Industry Collaboration

Paris LE MONDE in French 8 May 82 p 34

[Article by Andre Dessot: "The Opening of a Public Exchange Offer for Roussel-UCLAF Begins French-German Collaboration in the Chemical Industry"]

[Text] The technical difficulties besetting the Roussel-UCLAF financial account settlement after the February agreement with the West German Hoechst group have been cleared up, or nearly so. The state will acquire at least cost a minority bloc of stock in Roussel-UCLAF, bringing its share (presently about 20 percent indirect) to 34 or even 36-37 percent (the level desired by government authorities). The operation must be accomplished without ruffling the West German partner, who wants to get the best price he can for the stock he has agreed to sell in reducing his interest from 57.5 to 55-54 percent at the earliest opportunity. The ministries involved (Industry and Finance) have decided to use the public exchange offer (PEO) procedure, limited to 40 percent of Roussel-UCLAF's capital. This operation is scheduled to start in a few days, and it has the advantage of treating all stockholders equally. It will be done through the Bank of Paris and Holland and the CCF [Commercial Credit of France].

The means of exchange are as follows: for every two Roussel-UCLAF shares there will be issued two Fr 300 face-value notes dated 1 January 1982, one with variable interest and the other with a fixed interest rate, exchangeable for one share of non-voting preferred stock. The authorities are busy putting the finishing touches on the operation. The second note's fixed interest rate has not yet been set, but it might fall between 12 and 14 percent. Nothing has yet been decided on renewing quotations on Roussel-UCLAF stock, which was suspended from trading on 23 February (last quote: Fr 297). We are told this might be done on 14 May.

The fact remains that if Hoechst says it is satisfied with the conditions offered and has decided to cooperate in the PEO, nothing requires minority stockholders to sell their shares. It would then be necessary to increase Roussel-UCLAF's capital. However, specialists dismiss this possibility.

Thus ends the first phase of the Roussel-UCLAF operation, and Hoechst has every good reason to congratulate itself on the outcome, to the extent that it remains in control.

Work on the second phase, which was frozen pending financial settlement, can soon begin. The work is important, because the negotiators will have to find ways of laying the foundations of solid cooperation with the German giant, which might help put the French chemical industry on the road to recovery.

8782

CSO: 3100/661

## LARGE INFLUX OF ARAB FUNDS REPORTED

Athens TA NEA in Greek 26 Apr 82 p 1

[Text] In recent days, large sums of money (millions of dollars) originating in Arab countries have been "tumbling" into the depositories of Greek banks. In fact, these sums constitute an especially significant flow of Arab capital towards Greece--a flow which began in March and which is still continuing. This stream of money has taken the form of "serial deposits," as Athens banking circles who are in a position to know all the facts have stressed to TA NEA.

Specifically, according to the information gathered by TA NEA: The deposits of Arab funds into Greek banks began last March, and their rate (since--as was noted--they are continuing) is more than satisfactory.

These deposits were first made in dollars by Iraq, and now such deposits are expected by Kuwait and by other Arab countries.

It is noted that this is the first time such deposits are being made, and they should be judged to be the beginning of a regular flow of Arab capital into Greece.

It is clear that this flow of capital from the Arab world to our country is due to the new policy which has been implemented by the government of A. G. Papandreou and to its specific overtures to the Arab world.

In commenting on the flow of this Arab capital, reliable economic figures were stressing that these deposits are even more significant because they are not connected with any agreements between Greece and Arab countries either under negotiation or on the verge of being signed.

As is being emphasized by political observers, the economic opening by Kuwait to Greece is being realized at a time which follows upon a vigorous political opening to Greece as well, with the invitation which was sent by the Kuwaiti leadership to Premier Andreas Papandreou to officially visit this country, which is one of the great petroleum-producing countries in the world.

12114

CSO: 4621/343



## COMMON MARKET FUNDS DEPOSITED IN BANK OF GREECE

Athens TO VIMA in Greek 6 May 82 p 1

[Text] Some 4 billion drachmas have been deposited in the Bank of Greece for the account of the Greek State by the European Regional Development Fund.

The deposit in question is the second installment (the first was for 1.9 billion drachmas) of Greece's share for 1982, which totals 13.6 billion drachmas.

The above matters were announced yesterday by the deputy minister of coordination, P. Roumeliotis, who said that with the 5.9 billion drachmas (first and second installments) which have already been received, 43 percent of the Greek share has been delivered within the first 5 months of the year.

The money which has been received up to now is allocated as follows:

- 3.4 billion for the Public Investments Program.
- 3.4 billion for investment programs of the ETVA [Hellenic Industrial Development Bank].
- 1.8 billion for the investment program of the OTE [Greek Telecommunications Organization].
- 84 million for the projects of the OSE [Railways Organization of Greece].
- 176 million for investments of the DEI [Public Power Corporation].

Roumeliotis said further that at the end of December the government had received another 2 billion drachmas of the Greek share for 1981 from the European Regional Development Fund.

12114

CSO: 4621/343

## SOVIET OFFICIAL EXPRESSES HOPE FOR INCREASED TRADE

Athens ELEVTEROTYPIA in Greek 29 Apr 82 p 15

[Article by M. Neofotistou]

[Excerpts] Auspicious prospects are on the horizon for the further development of cooperation between Greece and the USSR in the commercial, technical, scientific, and cultural sectors, said the Soviet minister of fruit and vegetable industry, Nikolay Kozlov, at a press conference held yesterday in the "King's Palace" Hotel. He has been in this country since 23 April, along with the former first secretary of the Soviet embassy in Athens and general secretary of the Soviet-Greek Association, (Gennadio Pivovarov).

Kozlov stressed that the general aim is for the Soviet market to take delivery of more and more products from now on--above all those which are in short supply in the USSR, such as citrus fruits, olives, vegetable oil, and others. One illustration that this aim is being realized is the fact that whereas 3 years ago the USSR purchased 30,000 tons of citrus fruits, this year it purchased 110,000 tons of such fruit.

"We are steady buyers of your products," he said, "and Greece ranks third as a supplier of agricultural products after Bulgaria and Hungary."

## Natural Gas

Kozlov referred also to Greek-Soviet cooperation in connection with the supplying of natural gas from the USSR, the establishment of technical stations, and also in connection with the cultural sector. He let it be known that the Siberian artists' groups which were requested will definitely come to our country.

In reply to a relevant question about whether the establishment in Greece of commercial businesses from the USSR is anticipated, the Soviet minister said that there are general plans for cooperation, and he added that the Greek side has made a number of proposals which will be responded to after they have first been judged by the USSR to be advantageous to it as well.

He added that relations of Greek merchants both with the Soviet Ministry of Trade and with his own Ministry of Fruit and Vegetable Industry are on a very satisfactory plane, and that in the course of his stay in Greece he had received many proposals on cooperative ventures. Nevertheless, he did not say what and how many proposals there were--since, as he explained, for the present nothing is of a definitive nature. At any rate, he said:

"If we look at the balance of payments, we will see that the scales are tipping in favor of Greece with respect to our commercial relations."

We note the following particulars with respect to Kozlov:

He visited Salonica, where he met with the mayor and with representatives of the Commercial and Industrial Chamber, as well as with an outfit handling fruit and vegetable produce in Veroia.

Today, 29 April 1982, he will meet with Mr Alevras, president of the Chamber of Deputies, and with Minister of Coordination Giannopoulos, who is also the deputy chairman of the Administrative Council of the Greek-Soviet Association. And tomorrow he will meet with Minister of Commerce Akritidis.

In his capacity as chairman of the Soviet-Greek Association, the Soviet minister will participate also in today's conference of this association, which will begin at 1800 hours at the "King's Palace."

The Soviet embassy gave a reception yesterday evening in honor of the Soviet minister of fruit and vegetable industry, Nikolay Kozlov. Attending this reception were G. Mavros; Baltatzis; the secretary general of the KKE, Florakis; the deputy Kaloudis; the former governor of the ATE [Agricultural Bank of Greece], Pepelasis, with his wife; Mr and Mrs Lidorikis; Mr Kozakos; Mrs Karezi; the mayors of Kallithea and Kokkinia, Gallos and Logothetis; and others.

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CSO: 4621/343

## KRUPP INVESTMENTS STUDIED

Athens TO VIMA in Greek 6 May 82 p 1

[Text] As TO VIMA had announced beforehand on 12 March in an exclusive article, the management of the large German industrial outfit of Krupp arrived yesterday in Athens in order to conduct negotiations on specific proposals concerning major development projects for the country and to discuss other areas of economic cooperation.

Following the article published by TO VIMA, rightist newspapers attempted a refutation and in fact elicited "statements" from circles in the Krupp industrial outfit that there was not even a thought about investments in Greece.

Nevertheless, yesterday's arrival of the management of the Krupp firm amounts to a full confirmation of the especially favorable climate enjoyed by our country among economic circles in West Germany--a climate which was created by the recent visit of Premier Andreas Papandreou to Bonn.

Yesterday in a long consultation which they had with the appropriate deputy minister of coordination, Giannis Pottakis, the representatives of the Krupp firm first expressed their confidence in the Greek economy and in its developmental possibilities and then proposed--among other things--the following:

1. Cooperation on the marketing of Greek chrome on the international market.
2. They could cover 50 percent of their nickel needs from Greek output through a long-term purchase contract.
3. Cooperation and participation in the establishment of an industry for producing stainless steel in Greece, and cooperation in the marketing of its output.
4. Cooperation and participation in the construction of industrial facilities for making mechanical equipment and mining machinery, and cooperation in the marketing of the products to third countries.

The investments of the Krupp firm and the specific forms of cooperation will be the subjects of discussions presided over by Minister of Coordination Lazaris, with the participation of Minister of Industry Anast. Peponis and the deputy ministers of coordination, Giannis Pottakis and Pan. Roumeliotis.

## INDUSTRY CONFEDERATION FORECAST: ECONOMIC CRISIS CONTINUING

Stockholm DAGENS NYHETER in Swedish 12 May 82 p 8

[Article by Bjorn Anders Olson]

[Text] Fewer jobs, sharply dropping investments, and a rise in production only half as large as predicted by the government--these are the main results of an industrial planning survey for 1982 made by the Federation of Swedish Industries.

"The theory that the crisis is behind us is dismissed in no uncertain terms," said Ola Virin who is responsible for the survey.

About 250 industrial companies were interviewed: all those with more than 1,000 employees plus a selection of companies with between 500 and 1,000 employees.

The companies paint a gloomy picture of the year most people thought would be a turning point in the economic decline.

Employment at the 250 companies will drop by almost 13,000 jobs. If this trend holds for the entire manufacturing industry, unemployment this fall will increase by 20,000.

The government predicted that production would increase this year by 3.2 percent. The survey by the Federation of Swedish Industries indicates less than half this figure with a maximum increase of 1.5 percent this year.

"We are counterbalancing the optimism in the revised national budget," Ola Virin said.

Dismal

Investments, which most forecasts predict will drop by 10 percent this year compared to last year, will drop even more according to the companies--15 percent by volume, or 7.7 percent by value.

These are only average figures, however, taken from industry as a whole (see tables).

Companies in the building materials industry see 1982 as a dismal year.



Employment will drop by almost 10 percent and production by 2.3 percent compared to last year.

It is the slump in building starts--homes, plants, industries, etc.--that is hurting the building materials industry.

Investments in the primary industries are dropping catastrophically, by 25 percent or 750 million kronor.

At least believes that the devaluation--the decrease in value of the Swedish krona--will increase demand abroad.

Most companies believe that invoices abroad will increase by 16 to 20 percent over last year.

This is twice the rate of increase of last year. The rate of increase in demand on the domestic market is dropping, however, and will stop at 5 percent, despite an inflation rate almost twice this figure. This means lower production for the home market, Sweden, in terms of volume or number of units produced.

#### Exports

On the other hand, the companies hope to increase their share of markets abroad by 2 to 3 percent, which would increase the volume of exports by 6 percent.

The electrical manufacturing industry within the investment goods sector and the automobile industry within the consumer goods sector are hoping for the largest increases in exports.

Thus, the devaluation (by 10 percent in September last year) has increased the companies' optimism for sales abroad.

"But the devaluation was too little too late," head of the Federation of Swedish Industries Lars Nabseth said.

He was asked what currency measures he would ask the government to take.

"We have no currency policy of our own," Lars Nabseth said. "We have a cost policy. Reduce the payroll tax and reduce the energy tax."

DAGENS NYHETER mentioned that this could increase the budget deficit. Nabseth was asked if an increase in the sales tax would not be required as compensation for this loss of revenue.

"Increased production would provide increased revenues. If this is not enough, then an increase in the sales tax could be conceivable," Lars Nabseth said.

# Industrial Production, Percent Changes

	1977	1978	1979	1980	1981	1982 (predicted)
Primary industry	-9.1	4.2	11.4	-4.9	-6.9	4.5
Input goods industry	-4.0	0.5	5.9	-1.1	-2.7	1.5
Investment goods industry	-5.5	-4.4	6.8	0.0	-1.1	0.0
Investment goods industry, excluding shipbuilding	-4.2	-2.9	8.9	0.4	-1.3	1.0
Building materials industry	-3.9	-0.7	4.9	1.3	-9.9	-4.0
Consumer goods industry	-3.3	-1.6	3.8	-1.3	-3.1	1.0
Manufacturing industry	-4.8	-1.4	6.0	-1.2	-3.3	1.0
Manufacturing industry, excluding shipbuilding	-4.4	-0.9	6.6	-1.1	-3.5	1.5

	Level in 1981	Percent Change 80/81 Results	81/82 Prediction
<u>Summary of companies</u>			
Number of employees	352,300	-2.8	- 3.6
Number of man-hours, thousands	538,800	-1.5	- 4.7
Invoices abroad, billion kronor	76.8	8.1	17.2
Invoices at home, billion kronor	74.5	6.6	5.5
Total invoices, billion kronor	151.3	7.4	11.4
Total investments, billion kronor	9.7	4.0	- 7.7
<u>Primary industry</u>			
Number of employees	61,000	-6.0	- 6.3
Number of man-hours, thousands	94,000	-3.7	- 6.0
Invoices abroad, billion kronor	17.1	-2.5	15.9
Invoices at home, billion kronor	9.6	0.9	9.7
Total invoices, billion kronor	26.7	-1.3	13.7
Total investments, billion kronor	2.9	2.3	-25.9
<u>Input goods industry</u>			
Number of employees	60,100	-3.5	- 3.6
Number of man-hours, thousands	93,700	-3.4	- 3.4
Invoices abroad, billion kronor	14.5	10.1	16.8
Invoices at home, billion kronor	15.5	-0.7	- 0.3
Total invoices, billion kronor	30.0	4.3	8.0
Total investments, billion kronor	1.9	4.9	- 6.2

Investment goods industry

Number of employees	135,300	-1.3	- 2.8
Number of man-hours, thousands	204,300	1.3	- 5.8
Invoices abroad, billion kronor	30.7	10.3	16.5
Invoices at home, billion kronor	20.6	14.9	3.7
Total invoices, billion kronor	51.3	12.1	11.3
Total investments, billion kronor	3.0	43.1	2.1

Building materials industry

Number of employees	18,600	-6.5	- 9.9
Number of man-hours, thousands	28,400	-6.2	- 9.8
Invoices abroad, billion kronor	1.5	-6.5	19.8
Invoices at home, billion kronor	5.3	0.8	3.0
Total invoices, billion kronor	6.8	-0.9	6.7
Total investments, billion kronor	0.3	-25.7	2.2

Consumer goods industry

Number of employees	77,200	-1.4	- 1.3
Number of man-hours, thousands	116,800	-1.6	- 1.4
Invoices abroad, billion kronor	12.9	19.8	20.6
Invoices at home, billion kronor	23.4	8.9	9.7
Total invoices, billion kronor	36.3	12.5	13.6
Total investments, billion kronor	1.8	-24.6	2.2

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CSO: 3109/159

## SURVEY OF DEBT LIQUIDATION GIVEN

Istanbul DUNYA in Turkish 15 Apr 82 p 4

[Text] Ankara--Payments toward the liquidation of Turkey's foreign debt reached \$3.15 billion in 1981, recording an increase of \$996 million over the previous year. Meanwhile, new loans from abroad remained at \$2.12 billion in 1981, representing a drop of \$373 million compared to 1980.

Of the 1981 foreign debt payments, 34 percent, that is \$1.08 billion, constituted payment of interest on the loans and the rest went toward the payment of the principal. In 1981, 74 percent of foreign debt payment was met by exports compared to 67 percent in 1980.

In 1981, the IMF transferred to the Turkish Central Bank loans amounting to \$447.1 million, while repayments to the IMF amounted to \$198.1 million. In 1980, transfers from the IMF to the Central Bank amounted to \$472.4 million, while repayments remained at \$173.3 million. As a result of the drop in loan transfers from the IMF accompanied by an increase in repayments, net borrowing dropped from \$299 million in 1980 to \$249 million in 1981.

In 1980, the largest portion of the \$2.5-billion foreign credit transfers to the Central Bank and commercial banks authorized to hold foreign currency deposits was made up of consortium loans totaling \$808 million. In 1981, the largest portion of foreign credit transfers was made up of foreign currency deposit accounts which totaled \$480 million. Consortium loans in 1981 remained at \$325.8 million.

Short-term and long-term loans obtained from international banks in 1981 reached \$280 million, representing an increase of \$88 million over 1980. Moreover, in 1981, there was an increase of \$85 million over 1980 in total loans obtained from the European Investment Bank, the World Bank and the International Development Agency. These loans totaled \$172.4 million in 1981.

#### Faster Loan Repayments

It has been calculated that interest payments made in 1981 to service foreign loans amounted to \$1.08 billion, up 33 percent from \$808 million in 1980. Payments toward the principal reached \$2.07 billion in 1981, up 54 percent over the previous year.

More than half the interest payments, namely \$675 million, went toward the interest on short-term and long-term loans obtained from foreign commercial banks. Together with a payment of \$568.4 million toward the principal, total payments to commercial banks amounted to \$1.24 billion. This amount constituted 40 percent of Turkey's foreign debt payments in 1981.

During the corresponding period in 1980, foreign commercial banks were paid \$155 million toward the principal and \$161 million toward interest. According to these figures, liquidated debt owed to foreign banks quadrupled in 1981 compared to 1980.

In 1981, the European Investment Bank, the World Bank and the International Development Agency were paid a total of \$228 million of which \$134 million went toward the payment of interest and \$94 million went toward the principal. Repayment of debts to these institutions was \$55.3 million more than new loans obtained from them in 1981.

Meanwhile, it has been determined that foreign partners involved in joint investments in Turkey transferred abroad profits amounting to \$46.1 million in 1981.

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CSO: 4654/301



## NIGERIA SEEN AS MAJOR TURKISH MARKET

Istanbul DUNYA in Turkish 19 Apr 82 p 5

[Text] The Turkish fair organized in Nigeria by the firm I.C.E. Conference Exhibitions Ltd. ended on 9 April. The fair opened on 6 April. Turkish company officials who participated in the fair held in Nigeria have mostly returned home.

There were 30 firms taking part in the first Turkish fair held in Nigeria. Of these, 10 appeared only in the official catalog.

Company officials who participated in the fair said that the fair was successful from an advertising, acquaintance and learning viewpoint and that the hard-working Turkish Ambassador in Lagos, Yuksel Soylemez, had an important role in this success.

During the fair a Turkish week was declared in Nigeria. Programs on Turkey were broadcast on Nigerian television. At the same time, the Turkish tourism attache in Nigeria showed films and other propaganda material promoting Turkey to Nigerians and tourists visiting the fair.

It was also learned that the recital given by the well-known Turkish pianist, Idil Biret, received broad attention and that her recital was attended by 250 Nigerians, members of the diplomatic corps and Turkish businessmen attending the fair.

At meetings held between Turkish and Nigerian businessmen, the Nigerians asked for efforts toward the realization of joint investments. Several companies signed agreements. A Nigerian delegation will soon visit Turkey at the invitation of Turkish firms.

Meanwhile, it was reported that Turkish businessmen who went to Nigeria are working to secure letters of guarantee from U.S. banks. It is reported that a definite possibility of exports [to Nigeria] may emerge in the next few weeks depending on developments.

During the fair, Turkish businessmen established the Turkish-Nigerian Friendship Society.

Following are assessments by some Turkish firms which participated in the fair in Nigeria:

Ilhan Bekbay, Director of Exports, Halifleks A.S.:

"We took with us samples of floor covering and carpeting made of synthetic fiber. The samples we took were all sold. However, we will be careful in making our next moves to insure that payment for our goods will be guaranteed."

Gur Kaynak, Director of Exports, Pasabahce [Glass Factories]:

"We are pleased with the results we obtained in Nigeria. From the 30 to 40 firms we made contact with, we will select 4 or 5 which we feel are reliable. We are now sending samples. In 3 to 4 months, we will know what firms we will be doing business with and the type and quantity of merchandise we will be selling them. There was strong demand for our glassware and porcelainware in view of our low prices and high quality. We have already received orders amounting to \$1 million and secured containers for the merchandise."

"While we were in Nigeria, a Turkish week was declared. The television carried programs about Turkey. The Turkish propaganda efforts received a lot of attention. The Italians opened an electronic gadgets pavillion at the Turkish fair."

"Pasabahce products are competitive with their European counterparts in both quality and price."

Cahit Aral, Director General, Gemeks Foodstuffs T.A.S. and Gemtas Metal Industries T.A.S.:

"We are very pleased with the fair held in Nigeria. We met a lot of customers. Gemeks and Gemtas exhibited food and industrial products at the fair. We signed several contracts. We are now sending invoices and samples of other products. We were asked to supply sunflower oil, glucose, starch, meat, cables, soap, detergent, velvet cloth, carpets, grinding stones, brake shoes, shoes and cement. If all our agreements are finalized our exports could reach \$3 million to \$3.5 million. The goods we have so far agreed to sell are as follows:

"Two hundred metric tons of glucose-starch, 1.5 million meters of cable, 4 containersful of soap and detergent, 2,000 machine-made carpets, 400 handmade carpets, 50,000 grinding stones, 3 to 5 million brake shoes, 20,000 pairs of shoes and 20,000 metric tons of cement per month."

"The total value of the goods I listed above is \$1.5 million. If in the first few months we see that we are paid on time, we will continue our exports. We are trying to secure guarantees from U.S. banks. We received a lot of assistance from our embassy [in Lagos]. They helped us by working with us and cautioning us when necessary."

"We were very pleased with the fair, but not with the organization. We do not think it was right to permit the Italians to have a pavillion in a Turkish fair. That meant inviting competition by our own hand. We would like to see other Turkish fairs in the future."

Osman Ildan, Director of Foreign Marketing, Cemfleks:

"At the fair in Nigeria, we exhibited construction equipment and accessories and diesel irrigation pumps. I do not think the fair received global attention. All types of construction equipment at the fair received a lot of attention. The Italians also received attention. Final agreements were made on the sale of plastic floor tiles, plastic ceiling covering, cementing material and cleaning powder. Letters of credit for these sales were secured from banks, contracts were signed and order forms were prepared.

"The total value of sales we have already agreed on amounts to \$5 million to \$5.5 million. We do not yet view these agreements as being final; we think they will be final after the shipment of the first party of goods. We want to start shipping in 2 months and deliver our goods in two batches."

Teoman Diler, Director of Foreign Trade, Isil Melamin:

"At the fair, we exhibited melamine products and plastic processing machinery. We could not sign any sales agreements because the importation of melamine is banned in Nigeria. Our plastic processing machinery received a lot of attention. There are significant problems in making exports to Nigeria. The absence of transportation and telecommunications links [between Turkey and Nigeria] is the most important of these problems.

"The British firm [which organized the fair] in Nigeria cheated us. They permitted the Italians to open a pavillion in the Turkish fair. Our ambassador was very helpful."

Ergun Pekgoz, Director of Exports, Koruma Agricultural Chemicals A.S.:

"We represented our country at the fair by agricultural and veterinary medicines, insecticides and other chemical and industrial products.

"Ambassador Yuksel Soylemez who did the heaviest work at the fair was everything for us. If only all our trade attaches could work half as hard Ambassador Soylemez. We did not find the interest we expected at the fair. Nigeria has been a market for industrial countries for many years. Moreover, we held our fair in Lagos which is in the Christian area of the country. The organizing British firm cheated us. We could be more successful if the fair was held in the Moslem northern part of the country.

"The Nigerians want us to make joint investments. Our country was promoted very well during the meetings we held. Our tourism attache promoted our country very well to the tourists visiting the fair by showing films and working hard.

"All the companies we contacted asked for order forms and dealerships. We went there to gather information, and we see a promising market for our products."

Nazim Duzenli, Member of Board of Directors and Director General, Ittihat Milling T.A.S.:

"Nigeria is a profitable country with a lot of business potential. They want joint investments rather than importing goods. Nothing is sold in Nigeria with a profit of less than 200 percent. There are also a lot of difficulties. Bribery is common practice. Nigerian ports are infested with pirates. As a result, ships may have to wait in the ports for 3 or 4 months before they unload their goods. Thus a significant portion of the profits is lost.

"Ambassador Yuksel Soylemez worked very hard. The I.C.E. company representative was very ineffective. He allocated eight pavillions for the Italians.

"We signed an agreement with a company for the sale of 5,000 to 10,000 metric tons of flour per month. The company we will be dealing with will distribute the flour to the bakeries. We are selling the flour for \$300 per metric ton.

"We established a Turkish-Nigerian Friendship Society. A delegation from Nigeria will soon visit our country. I think that as an initial step the fair was successful."

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CSO: 4654/301

## PCB'S RENARD EXPLAINS, DEFENDS EUROCOMMUNISM

Brussels LE SOIR in French 15 Apr 82 pp 1,2

[Commentary by Claude Renard, vice president of the PCB: "Eurocommunism"]

[Text] The 24th congress of the PCB [Communist Party of Belgium (Walloon)], which was held at the end of last month, was an occasion to clarify the concept of Eurocommunism, which the preceding congress had already introduced in the party terminology, as a general definition of its political orientation.

It is important to stress that this orientation preceded by far its current definition. Its origin may be traced back to 1954 when the PCB removed the obsolete concept of dictatorship of the proletariat from its statutes. But it was in 1968 that it entered more explicitly into a process of elaboration to which the 24th congress always ties in directly.

Indeed, it was at that moment that, for the first time, a global project was outlined for a Belgian road to socialism, centered on a development "to the end" and within the pluralism of our democracy, with a large economic package -- the structural reforms -- and federalism among its major constituent elements.

In the extension of the gains of an already old evolution (but the perception of which by public opinion remains very confused), the 24th congress provided the new idea that today, because of its depth, the crisis leaves Belgium with only the following historic choice: either a long and painful slide toward underdevelopment and a worsening of all the inequalities, or else the progressive implementation of a new growth model which can only be the path of self-managing socialism. In terms of daily policy, this obviously implies resolute opposition to any form of management of the crisis and, more specifically, to the one conducted by the Martens V administration in terms of neo-liberalism.

This is how the PCB conceives of the national dimension of Eurocommunism, a basic dimension because, if there is no solid root in the social and political struggles of the country, this formula would be nothing more than a fashionable formula, even an ambiguous one at that.

This does not mean that Eurocommunism does not have many reasons to be "Euro."



As a geographic and, in part, geopolitical entity (the EEC), Western Europe groups together countries which have dipped and dipped again into battles with decisive stakes for the humanity of secular democratic traditions which, themselves, owe the best part of their substance to the struggles of the movement of the workers and of the left.

This alone would be sufficient to make the socialism which was possible and necessary in our country, a socialism different from those which emerged in 1917 in tzarist Russia and, after 1945, in other countries of Eastern Europe.

Moreover, even though the latter have accumulated very rich, useful and varied experiences, this acknowledgement of differences can, for the present, only go together with serious political divergencies, of which the events in Poland are only one cause among others. But disagreement does not mean a break.

Generally speaking, the PCB sees in Eurocommunism a drawing nearer of internationalist solidarity which, without eluding, on the contrary, the necessarily planetary character of the large contemporary confrontations, takes into account with priority the specificity of all the problems which proceed from these confrontations in Belgium and in Europe.

In the case of a nuclear war, it is obvious that Belgium and nearly all of Europe would be wiped out. And it is hard to imagine the SS-20 hitting the right rather than the left! This objective fact is no stranger to the problems of Eurocommunism.

While it stresses the responsibilities of the Reagan administration in the worsening of the East-West and North-South disputes, and while it is radically opposed to the deployment of American missiles in Belgium, the PCB also proposes foreign policy choices which, through an active contribution of Belgium and, if possible, of the EEC to going beyond the logic of the military blocs, clearly fit into the perspective of non-alignment.

What is involved is a new type of international relations which would give Belgium a large audience in the Third World, not without improving its government relations with the socialist countries, of which we continue to believe that, because of the fact of their socio-economic system, they are fundamentally interested in stopping the arms race and thus constitute a determining counterweight to imperialism.

As a matter of fact, this is why, in spite of the fears of some activists who are not for all that Stalinists, it will never be possible to integrate Eurocommunism in the cold war campaigns orchestrated by the right. In reality, these campaigns are often much more dangerous to our own social and political conquests than to the regimes they are supposed to aim at. In terms of the defense of peace, their failure is primarily dependent on a new impetus for the pacifist movement, for which the conditions must be created. This is what the 24th congress of the PCB understood very well.

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CSO: 3100/607

## BRIEFS

LEFT-SOCIALIST EXECUTIVE COMMITTEE ELECTED--The three Left-Socialist fractions which state that there may be temporary restrictions of the democratic rights under socialism, obtained the majority within the party's executive committee. It is not a question of any unambiguous majority because the three fractions disagree on important political issues. The group of delegates which, at the Left-Socialist congress, supported the so-called Wilhjelm-Birkholm resolution--demanding an uncompromising defense of the democratic rights today as well as under socialism--will be the largest one of a total of four fractions within the next executive committee. This fraction, composed of the so-called 'Cross-Fraction Lists' and non-fraction delegates, will get 9 members in the executive committee, which has a total of 21 members. The other 12 seats will be distributed with 6 members to the 'Vesterbro Gang,' 4 members to the 'Joint Trade Union List,' and 2 members to 'Line 2.' These three fractions constituted the majority behind the resolutions on democracy and socialism adopted by the congress. The following were elected from the 'Cross-Fraction Lists' and from among the non-fraction delegates: Bent Moos, Karin Løvengren, Jakob Erle, Holger Bangsmark, Leif Muller, Vibeke Fenslov, H. C. Jensen, Annette Nordstrøm, and Bjarne Irlind. The 'Vesterbro Gang' had the following members elected: Merete Pedersen, Kim Marskell, Inger V. Johansen, Poul Simonsen, Vibeke Lausgård, and Hans Erik Rasmussen. The four members from the 'Joint Trade Union List' were: Jens Jørgen Vad, Jason Maylor, Anne Molkte, and Kjeld Høgsbro. 'Line 2' had Niels Jørgensen and Ole Erik Hansen elected. [Text] [Copenhagen INFORMATION in Danish 10 May 82 p 5] 7262

CSO: 3106/77

## STUDY OF VOTERS SHOWS WORKERS TURNING TO CONSERVATIVES

Helsinki SUOMEN KUVALEHTI in Finnish 23 Apr 82 pp 52-55

[Article by Antti Blafield: "Political Science Professor Olavi Borg: Parties Will Remain, But Voters Will Move"]

[Text] Tampere University Professor of Political Science Olavi Borg is also a politician. He is a representative of the Liberals in the Tampere City Council and has also been an MP. Borg is considered to be one of the candidates for the next chairmanship of the Liberal Peoples Party. He himself reacts to this issue in an irritated manner. "I will announce my position in May," he states. If Borg agrees to become chairman of the Liberals, his position as a professor of political science could quickly change into that of a minister in Helsinki.

Workers are voting for the Conservative Party, white-collar workers are voting for leftwing parties. The majority of the Center Party's constituency is already made up of wageearners. The parties must change their own self-image, but this does not mean that the party system will change essentially, predicts Tampere University Professor of Political Science Olavi Borg. "Any other system than the present political system is unthinkable."

Finland is one of Western Europe's last countries in which the structure of political party constituencies is changing. Elsewhere in Western Europe political behaviour based on economic and social position and the voting pattern of one's father has been in transition for a decade already, stated Olavi Borg. The mobility of voters is increasing.

"Next to Greece, Spain, and Portugal Finland has been Western Europe's most agrarian country," states Borg. This according to him has also been the reason that the party system in Finland has changed slowly and even still the change is partly unnoticeable.

"A change in traditional political behaviour is a sign of a post-industrialized society."

Indeed, political mobility in Finland has increased, but it has not yet made any significant changes on the political map. The assimilation of the Liber-

als into the Center Party is the first sign of a new party structure, toward which we are moving according to Borg.

"In the future in Finland there will be a political center, in which there will be a liberal faction, a Christian labor faction, and as we approach the 1990's an agrarian faction also. If this does not happen, there will not be a strong political center in Finland."

Researcher Juhani Pehkonen of Tampere University has classified Western European parties into eight different classifications. In Finland there is a party for each class: the extreme rightwing (Constitutionalists), conservatives (Conservative Party), Christians, agrarian parties (Center Party and the SMP [Finnish Rural Party]), radical and liberal center (Liberals), Social Democrats, Communists, and ethnic parties (Swedes). Finland is the only Western European country in which there is a party for each classification.

A partial reason for this is Finland's transition into the post-industrial era. Urbanization, the resulting abandonment of rural areas, and alienation lead to the growth and birth of the SMP and the Christian League. However, for the time being the new parties have either been astronomical in their growth, such as the 1970 election victory of the SMP when the party increased the number of its MP's from one to 18, or they have remained as small parties whose effect has been primarily to divide the bourgeois camp.

France, Italy, Austria, and West Germany are the only countries in Western Europe in which the party system is not in a serious state of transition. According to Borg this is a result of the fact that their systems changed after World War II: West Germany and Italy moved from fascism to democracy and in the 1950's France completely reformed its constitution. In Austria the allegiance of voters to parties has even increased, the political arena has stabilized.

The mobility of voters reached its peak in Denmark in the years 1971-1973 when the Progressive Party lead by Mogens Glistrup quickly became that country's second largest party. The rightwing party lost its steam by 60 percent in 2 years and the Social Democrats lost one-third of their voters.

#### "Workers Becoming Technicians"

The transition to a post-industrialized society will irrevocably result in a change in the party structure unless the political leadership makes new choices, concludes Borg.

In Finland this change has occurred over a period of 20 years in the 1960's and the 1970's.

The number of white-collar workers is already more than a million while there are approximately 900,000 industrial workers. "Workers are becoming technicians. How can one any longer differentiate between a doctor and a plumber who makes house calls? Perhaps the difference is that a plumber drives his own car, but a doctor must use a taxi paid for by the local government," states Borg. "There is no longer any reason to feel a sense of inferiority."

The telephone rang during the interview. A student called to explain his problem. Professor Borg asked the caller in a familiar tone to call him later in the evening. "Students are no longer frightened of professors as they once were."

"A strict obligation to a professional position and class is not possible since there is no longer any clear position which would differentiate."

Every third Conservative Party member under 25 years of age belongs to the working class.

Every fifth voter of the SDP as well as every tenth Communist and every tenth member of the Center Party is a white-collar worker.

At the end of the 1940's half of the white-collar population voted for the Conservative Party. At this time only one-third votes for the Conservative Party.

"A portion of white-collar workers in low-income positions has moved to the left." A most recent example of this was the elections of the Finnish Federation of Industrial Functionary Workers, in which the leftwing received a majority and the Social Democrats received a near simple majority for the next congress. Also white-collar workers in the commercial trades have become more leftwing. The next in line could be banking and insurance workers whose wages are relatively low.

The traditional worker has become more bourgeois and the white-collar population is becoming more leftwing. This will result in the fact that the growth of the Conservative Party will not occur in a straight line, but the leftwing will receive new political power from the Conservative Party's traditional areas.

This, however, will result in the fact that the leftwing parties must quickly efface their working class background. "The SDP has been the quickest and the most successful in accomplishing major operations. It has quickly dropped its working class image.

"In addition, the SDP received Mauno Koivisto as a gift from heaven.

"The SDP has committed the theft of the century by adopting as its symbol the blue and white colors marketed by the Conservative Party with considerable work and effort. Only a small red rose is a reminder of the past. It was an elegant time, it must be said."

#### Trade Unions Play Important Role

The foundation of the party system has also been eroded by organized labor. In Finland the organization of trade unions is so great that Finland along with the other Nordic countries is an exception in the whole world.

In 1960 only 28 percent of the working population was organized into trade unions. In 1980 already 70 percent was organized. In 1980 a full 85 percent



of wageearners was organized into trade unions while in 1960 this percentage was only 17.

The organization of labor unions has increased forcefully since the trade union movement has become united. The SAK [Finnish Confederation of Trade Unions] is one of a kind in Western Europe: Communists and Social Democrats are in the same central confederation.

The percentage of organized labor has also been increased by the forceful organization of white-collar workers and officials. The third reason is that the employer collects membership dues for trade unions directly from an employee's wages. This has strengthened the economic position of trade unions enormously. Incomes from membership dues in the SAK, the TVK [Confederation of Salaried Employees], Akava [Professional League], and the STTK [Finnish Federation of Technical Functionary Organizations] will soon exceed 1 billion markkas annually.

"The organization of trade unions has taken the base away from the party system. The trade unions offer all material needs, only the ideals are lacking.

"Presently, the trade unions are a part of state power and they are included in the decisionmaking process and in the preparation of decisions. In addition, they are service organizations, which in addition to wages offer reduced vacation trips up or down (meaning lodges in Lapland or the sunny shores of the south), insurance benefits, legal assistance, various goods at reduced prices, and vocational training.

"Since the trade unions offer all these things, what reason is there to participate in political parties?"

Borg is directing a research project in which a study is being made of the leadership of labor market organizations and the attitude of their members toward their own unions and society in general.

"Trade union leaders at the top indeed believe that they can influence affairs," states Borg in discussing the results of this research. However, the faith of the rank and file in their ability to influence affairs is not as unshakeable.

The readiness of the rank and file to declare one's party affiliation also decreased in a period of 4 years. From 1976 to 1980 the number of those declaring party affiliation decreased by half.

Also the nonaffiliated predominate in the trade unions. "Idealism has lost its force as a reaction to the neo-leftwing wave."

The SDP was quick to observe this development also. The party leadership has begun to cultivate a soft socialism, which in fact means a market economy.

"Until now the Conservative Party was the only party to ride the crest of the wave of social development." Now the SDP has also jumped on the same bandwagon.



Also the Center Party is compelled to think about its future in a completely different manner. The majority of the party's voters is already made up of wageearners. Only among Center Party voters over the age of 40 are farmers still in a majority. Among the younger people the majority is already made up of members belonging to various wageearning organizations, who are frequently in sharp conflict with agricultural producers.

#### Values Are Changing

In the political science literature of Western countries citizens are divided into three groups: "post-materialists", which means people who are living in a post-materialist age in which nonmaterial values such as estheticism or happiness are more important, traditional materialists, who built Europe from the ruins of World War II, and the third group, the silent majority, which lies between these two groups.

In Belgium and Holland the "post-materialists" are already a rather large group, 10-15 percent of the voters. In the group under 25 years of age the "post-materialists" are already a larger group than those worshipping Mammon.

If the importance of nonmaterialist values grows, this will also compel party leaders to consider new values. They could grow into powerful political movements, as has already been the case with single issue movements such as the anti-nuclear power movement, the peace movement, and the environmentalist movement. In West Germany and Sweden there is already a so-called green party, which is based on environmental issues.

"I do not see any opportunities for these movements in Finland, perhaps in the next century. They will fail because of one single practical obstacle, money. The clique of four or the Conservative Party, Center Party, SDP, and SKDL [Finnish Peoples Democratic League], has so much party support that it has an economic preponderance. Also in Finland there is an obstruction to communications, which oppresses the small parties." In an effort to normalize the situation the Finnish Broadcasting Corporation decided in the 1970's that only the opinions of the four large parties are worth following. Only before elections do the small parties receive a formal equal treatment.

"If I could obtain several million markkas and some good workers, I could create a party with 10 MP's."

#### An Alliance of Parties or a Confederated Party?

In England the party system is perhaps undergoing a major renovation. The "social democratic party", which split from the Labor Party has together with the Liberals won several seats in parliament and this party alliance has all the chances of acquiring an unconditional majority in the next parliamentary elections.

The consequence would be the disintegration of England's traditional two-party system.

Borg sees the victorious course of the new center as the cause of the strengthening of the extremes in the party arena. In the Labor Party the leftwing obtained control after a long time and the Conservatives are being led by the strict monetarist Margaret Thatcher.

"Thatcher's policies are forcing many people to think. The monetarist economic policy proposed by Milton Friedman is being practiced in only three countries in the world: Chile, the United States, and England. This drives people to the center."

In England development is occurring in a different direction than in Finland since the power of the trade unions is now beginning to crumble. The Labor Party was created in the beginning of this century as a result of the fact that the trade unions nominated candidates to parliament. The Labor Party was thus formed from this parliamentary group as a merger of several alliances.

"If the new center wants to retain its possible majority, its first task will be to change England's election laws, otherwise power will return to either one of the main parties." In England the country is divided into as many election districts as there are seats in the lower house so that in each election district the individual who obtains the majority behind him is elected.

"A party alliance will not be able to retain its majority for a long time. This requires a confederated party at the very least."

In Borg's opinion such a confederated party is now in the making in Finland with the merger of the Center Party and the Liberals.

A confederated party is nothing new in Finland. In the fall of 1944 a confederated party, which became a strong political force, the SKDL, was established in Helsinki.

The original purpose was to establish a people's democratic framework, into which Social Democrats, the Agrarian League, and a portion of the bourgeoisie in addition to the Communists would have been collected. "Through the Comintern the SKDL model subsequently travelled to Eastern Europe. The SKDL model was applied in the GDR, Poland, and Bulgaria."

In 1948 Hertta Kuusinen declared that "Czechoslovakia's path is our path". However, before this it had been stated in many Eastern European countries that "Finland's path is our path".

However, the SKDL has not fulfilled its objectives, especially now that the socialists have grabbed power in the SKDL. The Communists watched from the side as the socialists determined SKDL policy. The socialist-led SKDL is also driving the SKP [Finnish Communist Party] toward new values, which do not include the traditional class-conscious stand.

The policy line of the SKDL and the SKP may also have significance elsewhere in Europe. The SKP is the world's second oldest communist party and its relations with the CPSU are the closest in Western Europe.

## Interest in Politics

Even though people no longer readily declare their party affiliation or indeed want to be nonaligned, they are, however, interested in politics.

During the 1970's the proportion of those "genuinely" interested in politics increased by approximately 30 percent. According to Borg this is beginning to reach the limit since "15-20 percent will never be reached. It is good if they even know elections are being held."

The simultaneous increase in the number of nonaligned and those interested in politics can lead in many directions. Until now it has benefited the Conservative Party. In the future it may very well also benefit the Social Democrats.

"Much depends on the kind of position Koivisto takes. It is becoming ever more evident that he will remain in the background, in fact, carry out Stahlberg's line," states Borg in referring to the Liberals, whose hero Stahlberg was.

"It is completely certain that in the next elections the Conservative Party and the Social Democrats will together receive a majority in the parliament."

However, the individual forming a future government from this majority will not gain very much. As before a government will be formed either on the basis of the center and the left or thus on a tottering bourgeois majority, at which time the policy line of the small parties will continue to be cause for fear on the part of the large parties.

Or the same parties will continue. Paavo Vayrynen, Erkki Liikanen, Par Stenback, Kalevi Kivisto, and Ilkka Suominen will be in their prime in the year 2000.

"When the party system was created in the 1700's and 1800's, the idea was to group together for the resolution of important national questions. When a question was resolved, it was possible to regroup around a new issue. At that time parties were not thought of as permanent organizations.

"In Western societies we have, however, become accustomed to organizations and they themselves must be guarded and nurtured. Only wars or revolutions can bring something indeed new, but even after these events, frequently, a gradual grouping has occurred on the old basis.

"Iran is a unique example of how development can be stopped for a certain period of time and how even a completely new issue can be adopted as the basis of a political system.

"The present party system is historically quite young, 100-150 years old. I am not arguing that it is permanent, but at this time no other systems are being considered. Corporativism or territorial division are in principle the same thing, they are only a means of revising a system.

"All these are, of course, only the inventions of human beings. One possibility would be the model of certain island kingdoms: either an agreement is reached or each one is forced in turn to assume responsibility. This could be accomplished even by drawing lots. It is doubtful that the professional or political composition of the parliament would change very much.

"It would, however, have one decisive result: the present power positions would crumble."

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CSO: 3107/112

## SAARINEN URGES NATIONAL FRONT GOVERNMENT AFTER ELECTIONS

Helsinki HELSINGIN SANOMAT in Finnish 3 May 82 p 12

[Article: "Saarinen Seeks New Base For Government"]

[Text] Communist Party Chairman Aarne Saarinen, who is retiring in a couple weeks, urged in Forssa that consideration be given to a government of all the parties. He contemplated a city council role for the parliament.

Saarinen surmised that a permanent government of all the parties would simplify the government dilemma for the Communists and would make coexistence in the party easier.

Saarinen emphasized that he was speaking as a private citizen. His thoughts had not been discussed in any party organs. Saarinen noted that a government of all the parties would require significant changes in the constitution since in his opinion such a government could not be considered as temporary.

"Since all the parties in the parliament would also be ruling parties, each would function in the government and the parliament also in accordance with their own platform, in other words, they could freely oppose government proposals in the parliament also as is now the case in municipal councils."

In Saarinen's opinion a government of all the parties is not in conflict with Marxism or with the principle of "class consciousness", not even in the event that the Conservative Party is also included in the government.

"This would also free the leadership of the Center Party from its Conservative Party complex. Also it would weaken the president's powers; he would not have to become involved in the formation of a government and he would not need to dissolve the parliament."

According to Saarinen the new system would give the parties more opportunities to influence affairs since none of them would be bound to government decisions.

"This in my opinion is an issue which could be clarified in connection with constitutional reform, particularly in connection with the revision of the minority-majority statutes."

On a speaking tour in Pohjois-Hame SKDL [Finnish Peoples Democratic League] Chairman Kalevi Kivisto emphasized the importance of the next parliamentary elections with respect to domestic policy. Kivisto conjectured that the bourgeois parties will strive to change political positions in a broad front government. He considered the Center Party's "siren songs directed at the Conservative Party" to be an indication of this.

#### Congress Mentioned in Speeches

In speeches at May Day festivities the Communists could not avoid mentioning the forthcoming extraordinary congress. Vice Chairman Taisto Sinisalo argued in Turku that it is a question of retaining or changing the essence of the party. Sinisalo saw two alternatives: a policy line opposed to big capital and the rightwing or a historical compromise, which will result in increasing difficulties. According to Sinisalo Eurocommunism and petit bourgeois reforms will bring about a historical impasse.

MP Arvo Kempainen, who has been labelled the leader of the northern rebellion movement, refuted the familiar suspicions with respect to the SKP's delegation to Moscow. Kempainen argued that suspicions among the membership that solutions concerning the congress will be made on the trip to Moscow are groundless and unjustified.

Chairman Veikko Saarto of the SKDL Parliamentary Faction, who spoke in Vantaa, Hyvinkaa, and Karkkila, believed that the restoration of unity to the SKDL parliamentary faction will open up the way for greater unification.

Labor Minister Jouko Kajanoja and MP Seppo Toiviainen spoke at the primary celebrations of the Communists in Helsinki's Senaatintori [Senate Square]. Kajanoja warned of the hardening holds of the neo-right in economic and budget policies. Toiviainen demanded that the SKP adhere to its own line until the very end and also continue the struggle after next fall's budget negotiations.

SKP First Secretary Arvo Aalto demanded in Kajaani that a 35-hour work week be instituted in connection with the next income agreement. Communications Minister Jarmo Wahlstrom anticipated in Seinajoki, Vaasa, and Jurva that greater improvements than provided for in the committee report will be made in the job security bill. According to Wahlstrom the bill will be a scale by which the real attitude of the parties toward workers will be measured.

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CSO: 3107/114



## PAPER LOOKS AT AALTO, FRONT RUNNER FOR CP CHAIRMANSHIP

Helsinki HELSINGIN SANOMAT in Finnish 1 May 82 p 20

[Article by Anneli Sundberg: "The Prince Is Ready for the Throne"]

[Text] Having compared himself with his competitors First Secretary Arvo Aalto, 49, has come to the conclusion that he does not have any justifiable reason to turn down the chairmanship of the Finnish Communist Party. He would willingly accept Minister Jouko Kajanoja as first secretary.

Aalto is a party politician clear down to the marrow of his bones, his pants are pressed, and his hair is slicked down on his head, but he has something in common with our president -- both of them are on guard against simplistic statements.

When Aalto is asked why he wants to be chairman of the SKP [Finnish Communist Party], it becomes evident that he does not want to be chairman. He has simply not declined to be a candidate. This is completely different than wanting to be chairman.

"Even a spark of desire would be a sign that I should not under any circumstances be elected."

Aalto is prepared to accept responsibility for the party, to assume Aarne Saarinen's position since he does not find himself to be any worse than the other alternatives. Aalto's experience at least with respect to party work is overwhelming compared to his competitors. Jouko Kajanoja, who inherited the Labor Ministry from Aalto, is one of the people who has announced his candidacy. Aalto does not bear a grudge.

"If the people want to make him chairman, I will give him my unreserved support.

"As an expression of my own opinion I have stated in the preparations for the congress that if the selections are made from among the names presented, I would support Kajanoja as first secretary."

Kajanoja is also amenable to this.

"Perhaps there could be a good side to this from the point of view of the SKP if a bricklayer becomes chairman and a man with a Master of Arts degree becomes first secretary. It would not necessarily worsen the impression of the party."

The leadership of the SKP will be selected by the extraordinary congress, at which the same people as those who attended the stormy congress a year ago will participate. Majority and minority factions will remain as before, believes Aalto. "Certainly, the manner in which one or another evaluates reality will be different than a year ago, but as far as I know no essential changes have taken place in the minds of these people."

A year ago these people attempted to make Aalto chairman even by force, but at that time he declined since the proposal came "incorrectly late".

Now the situation is different. Aarne Saarinen is leaving voluntarily. The field is now open for the 49-year bricklayer-minister-first secretary, whom some have given the pet name prince. Aalto admits that he may have a little of the fault of an autocrat and laughs. "And should not there, indeed, be some merit to selecting a chairman to party which is in a state of considerable anarchy?"

When Aalto is asked to describe himself, he becomes annoyed. "Describing oneself is extremely thankless and unwise. If I were to say anything now, I would seriously attempt to keep my feet on the ground and recognize the facts. I have not encountered a situation in which I have not been able to get along with people."

A description of faults is even more difficult than describing one's positive points. Finally, Aalto admits that sometimes he makes decisions abruptly. Complaints have even been heard to the effect that people feel they have been trampled under the feet of an efficient first secretary. "Of course, greater consideration could be shown at times."

During the current year the agile Aalto has had a chance to approach all the SKP's factions. He will not say how many there are. His affinity to the Kemppainen faction is in his opinion primarily a myth created by the bourgeois newspapers. "In his own district organization Arvo Kemppainen enjoys the definite trust of his people, but not as the leader of any kind of a rebellion. The people in the district know him to be very equitable and responsible."

The difference between Kemppainen and Aalto is this: "I have perhaps presented my opinions on the Soviet Union a little more cautiously."

The origins of the so-called third line were of considerable interest to Aalto. He talks about this line in quotes. "What it amounted to was that people who previously were rather far apart were able to work together and discuss issues in an atmosphere of trust. On the basis of my own personal experience they then assured themselves at least that this group of people who have fought one another are capable of a different sort of activity. Their experience is not very great or extensive, but they have within themselves the feeling that they could very quickly expand."

Aalto states that he has given stimulus to representatives of these well-read youth primarily from Helsinki, but he does not approve of their petitions.

Aalto considers himself to be an authentic representative of the 1966 party majority, who approaches socialism in a peaceful manner while carrying out the will of the majority of the people and honoring civil rights and the fatherland.

In electing Aalto the SKP rank and file should, indeed, know what they are getting. Aalto has been first secretary of the party since 1969. Before that he was the district secretary of Lapland. His most recent job as a wage earner was in the summer of 1955 as a bricklayer for a bourgeois dentist, who in addition to paying for labor also paid for discussions with bricklayer Aalto. Aalto states that he always noted the time spent in discussion of social issues on his time card.

After completing the job for the dentist Aalto entered the Sirola Institute and his first position in the service of the party was in the district of Lapland where he was wanted as an economic manager. Aalto did not know anything about being an economic manager and opposed the idea, but consented when the district secretary and the education secretary together explained that the interests of the working class required Aalto as the economic manager for the party district in Lapland.

The former economic manager of the Lapland District became known to all the people as the labor minister in Kalevi Sorsa's and Mauno Koivisto's governments when he convinced officials in the ministry that the seemingly harmless Communist Aalto is not harmless. Aalto also appointed Communists to official positions.

Just as presidential candidates recently swore allegiance to the YYA [Friendship, Cooperation, and Mutual Aid] Pact, Aalto also swears allegiance to the best traditions of his party. International relations will not change this. Even in domestic policy an SKP led by Aalto would carry out nearly the same policy lines. After the next parliamentary elections we will know who is in the government and who is not. The SKP is also capable of a responsible and effective opposition policy, points out Aalto. "If anyone imagines that we have forgotten this skill, they imagine incorrectly."

During his term as chairman, Aarne Saarinen also sat in parliament. If Aalto intends to become a member of parliament next year, his primary organization will perhaps have to give a guarantee that Aalto will conduct himself in a manner prescribed by the majority in the parliamentary faction or otherwise he will be automatically expelled from the faction and the party. Even before the presidential elections there was talk that a written oath be demanded from candidates to the effect that they will adhere to a unified action, but the idea was not implemented at that time. Now it is again being given serious consideration.

Even today Aalto is reluctant to answer the question as to whether he intends to run for parliament. "It has not been considered at all and I do not consider it to be an inevitability even in the event that I should become chairman of the party. There will still be sufficient work with respect to ever on-going internal issues even if the congress should go exceptionally well."

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CSO: 3107/114

## FOREIGN MINISTRY LEADERSHIP REALIGNING UNDER KOIVISTO

Helsinki SUOMEN KUVALEHTI in Finnish 30 Apr 82 pp 6-7

[Article by Mikko Pohtola: "The Foreign Policy Triangle"]

[Text] Before the presidential elections many Finns insisted that Mauno Koivisto does not have so-called relations with the East and that Moscow can never approve of the Social Democrats.

Now all Finns seem to believe that Koivisto has put relations with the East in good order for all eternity now that he has been to Moscow.

The "working visit" to Moscow was an indisputable success for Mauno Koivisto. For this he can thank himself as well as the Foreign Ministry and also "a certain embassy located on Tehtaankatu Street", which initiated the trip.

In Moscow it was noted that certain obligatory forms regarding foreign policy are still foreign to Koivisto. However, he turned out to be quite willing to learn.

Now there is hope that the present Soviet leadership will receive Koivisto on an official visit, at which time an agreement will be reached on the continuation of the YYA [Friendship, Cooperation, and Mutual Aid] Pact. However, it will be a long time before it is said in Moscow of Koivisto: "We know him and trust him". Koivisto is under benevolent observation. The formation of a final impression will depend on many issues: political events in the world and the speeches and actions of Finnish politicians.

In the Foreign Ministry there prevails an understanding according to which Koivisto has not yet succeeded in firmly establishing that foreign policy leadership position which according to the constitution belongs to him. He has perhaps not wanted to use the Foreign Ministry as a tool in the same manner as his predecessor.

Thus Prime Minister Kalevi Sorsa has stood out as the "high-profile" foreign policy man. He has, among other things, evaluated the President of the United States in a completely different way than, for example, Leonid Brezhnev, who wants to negotiate with Ronald Reagan on detente even in Helsinki. Sorsa announced to Foreign Minister Par Stenback that he wants to attend the special session of the UN General Assembly.

In addition, Sorsa is going to West Germany as a guest of the Chancellor along with the prime ministers of Norway, Sweden, and Denmark. The summit meeting of three NATO countries and two neutral countries can arouse talk afterwards even if Sorsa delivers the usual speeches on the necessity of a nuclear-free Nordic zone. As is known, relations between Moscow and Bonn are becoming cooler.

### "Kissinger's Teacher"

In the loose talk of officials there is always some truth. When it became known that Stenback was appointed foreign minister, many officials in the Ministry of Education expressed malicious condolences to friends working in the Foreign Ministry. Now it is known on Ritari Street that they were not without justification.

The officials are aware that Stenback, who has made his name as a party politician, cannot be on top of all the fundamental issues of foreign policy. However, it is difficult for them to comprehend why the minister does not want to learn anything, but behaves as if he had been Henry Kissinger's teacher.

Now that officials in the Foreign Ministry have learned that the minister resents even well-meaning offers of assistance, they concentrate on protecting themselves from outbursts of anger. Thus the minister is becoming estranged from the ministry. And since the President of the Republic does not know how or does not want to use the Foreign Ministry, the prime minister has even better chances for promoting his own ideas and his own favorites.

Bitter struggles will be waged over appointments in the Foreign Ministry this fall at the latest.

### Professional Roulette

Bern is the ideal spot for diplomats approaching retirement: a charming official residence, very little work, and a short distance to almost anywhere.

Soon Joel Toivola will leave this paradise for retirement. His successor will probably be Richard Totterman, whose position in London is desired by Ilkka Pastinen, who represents Finland at the UN. The permanent UN mission in New York is, on the other hand, the only "outside" position which would interest Keijo Korhonen.

Klaus Tornudd, who took a leave of absence from his position as chief of the political section to take over the political science professorship of Goran von Bonsdorff, gave one to understand that he would not return to his previous position, but wants to be under state secretary after Keijo Korhonen. In this new situation this kind of exchange of information is not, however, self-evident even though in the opinion of many it would be reasonable. It should be kept in mind that the under state secretary is the president's most important adviser in questions of foreign policy.



## Sorsa's Favorite

Also the position of the chief of the political section has not been filled. Richard Muller, who has distinguished himself at the CSCE meeting in Madrid, is temporarily managing the affairs of the political section.

Sorsa's favorite as chief of the political section is party comrade Jaakko Blomberg. However, he has succeeded in acquiring for himself many critics within the Foreign Ministry as well as in the Defense Ministry.

In 1971 together with Pertti Joenniemi Blomberg published a pamphlet entitled "Kaksiteräinen Miekka" [A Double-Edged Sword]. In this pamphlet he actually outlined the Komissarov-Bartenyev line even before these Soviet pen names, which have since become famous, invented it.

In this pamphlet a policy line, which is depicted by the following quotes, among other things, is offered in place of the Paasikivi-Kekkonen line:

"In the security policy discussion there has not been nearly enough deliberation of the fact that our aspiration to achieve neutrality can in a crisis situation come into conflict with the basic interests of the Soviet Union, particularly when this aspiration decreases the Soviet Union's chances to supervise Finnish policy."

And he continues: "And it is above all completely unrealistic to expect that in the event of an armed conflict that extends to our geographic vicinity we can or we should attempt to maintain a strict policy of neutrality. In the second place, a strict policy of neutrality would in such a situation certainly be contrary to our interests. A neutrality which is based on the fact that, if necessary, we must also take up arms to prevent any possible violations of our neutrality by Soviet troops will have a detrimental effect from the point of view of the general objectives of our foreign policy."

Later in his foreign policy paper Blomberg presented "the peace policy obligations of the YYA Pact" in a manner which Komissarov and Bartenyev exploited in explaining why the military stipulations of the pact must be implemented immediately if politically alarming developments begin to occur in the northern hemisphere.

In a way Blomberg and Joenniemi also provided a basis for the idea of Finnish-Soviet military exercises, which was promoted by Dimitry Ustinov, in explaining that the YYA Pact will only have a preventive effect if "relavent preparations" have been made for military and technical cooperation.

Before being transferred abroad Blomberg refused to participate in recurrent training exercises for reservists by announcing that he is a supporter of unilateral disarmament.

They are now grumbling in the Foreign Ministry that if Blomberg becomes the chief of the political section, he will be in this position only as Sorsa's favorite.

## The Moscow Post

Ambassador Jaakko Hallama will soon be free of his obligations, which he has had to bear for an unreasonably long time. However, it will be difficult to fill this post in Moscow with a replacement who will be able to meet the traditional demands required for the holder of this post.

It has been customary to send to Moscow an ambassador who enjoys the special trust of the President of the Republic. He must be a career man, but the Soviets also place much value on political weight in addition to professional and career skills. State Secretary Matti Tuovinen has both, but as a member of the Center Party it is doubtful that he is a trusted individual of the president. Also Tuovinen is not very interested in going abroad.

Aarno Karhilo, who is now the ambassador in Paris, has been in Moscow before. His appointment to Moscow would not offend anybody. However, he is a nonaffiliated career man without any political ties.

The most certain candidate to Moscow is probably Jaakko Iloniemi, the ambassador to Washington. No one will dispute his qualifications, and as a Social Democrat he most likely has confidential relations with Koivisto. The only problem is that, as is known, Iloniemi gets along very well in Washington. But in this job it is customary to go where the decisionmakers decide.

## Vayrynen's Difficulties

Paavo Vayrynen has waged a political struggle against Johannes Virolainen and Mauno Koivisto, among others, by arguing that they do not have good relations with the East. No one has thought to ask how Vayrynen's own relations are.

As a foreign minister for 4 years Vayrynen concentrated on avoiding mistakes. One can succeed in this way under the protection of a strong president. However, at the end of Kekkonen's term the foreign minister should have been more active and should have accomplished something, it is said. Vayrynen did not so that there was not much to show for the years he spent on Ritari Street.

Foreign Minister Vayrynen visited the Soviet Union only in the company of Kekkonen. He was not invited for a separate visit even though it seems there would have been time.

Now Vayrynen is on an official party trip to Moscow. But there were many complications in connection with this trip. It is said that the delay of the invitation irritated Vayrynen to such a degree that he tried to persuade his party to allow him to lead the party's parliamentary delegation on its recent trip to Moscow. The hosts, however, did not care for this idea so that Parliamentary Faction Chairman Matti Ruokola headed the delegation.

However, last fall Vayrynen was informed that a delegation of the Center Party would be invited to Moscow under his leadership. But after the party congress

in Kuopio complications began to arise in connection with plans for the trip since the K-line failed completely in the selection of a presidential candidate. When it became evident that Vayrynen's trip would be postponed until after the Center Party congress in Rovaniemi, he made a kind of Canossa-trip. He explained that he would encounter difficulties in Rovaniemi if he had to admit that he had not been to the Soviet Union as chairman of the party.

10576

CSO: 3107/112

## CONFUSION REIGNING AT CP CONGRESS ADDS TO FRUSTRATIONS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 17 May 82 pp 1-2

[Article by Werner Adam: "Finnish Communists on the Brink of a Final Split; Special Congress Widens the Gap/Saarinen Criticizes the Soviet Communist Party"]

[Text] Helsinki, 16 May--Finland's Communist Party is falling apart because of an open conflict with the fraternal Soviet party, and after a special congress that took place in Helsinki over the weekend it is on the verge of a final split. Outgoing party chairman Saarinen, representing the majority, which is intent on preserving national independence, placed the primary blame on the shoulders of the Stalinist minority of his party, but, of course, he was hardly any less critical of Moscow's demand that the communist movement in the entire world submit to its leadership. Thereupon the blindly pro-Moscow Stalinists even rejected Labor Minister Kajanoja, who had been elected Saarinen's successor and who was thought to be the most likely to put a stop to intraparty fighting since he advocated a "soft line."

Saarinen, who had been party leader for 16 years, delivered a farewell speech characterized by disappointment and bitterness that created an even greater sensation since it contained harsh criticism of Soviet communism. Pointing out that the Soviet Politbureau had sent a warning letter accusing the majority faction in the Finnish party of "anti-Sovietism," Saarinen said literally that this document of Moscow's had provided the orthodox minority a "stick" that had been used without restraint at the special convention and caused the whole party harm.

The retiring party chairman frankly called the Soviet Politbureau's written sermon evidence of the fact that even the Soviet party, regardless of "its wisdom and positive role in world history, can err in certain cases." At the same time, continued Saarinen, meaning the minority supported by Moscow, he wondered what the Finnish people and "most of the working class" must think of communists that renounce independence of thought in favor of "mainly following the experiences and guidelines of the Soviet Communist Party."

Quoting a statement made by Lenin in 1919 about the diversity of nationalities and their right of self-determination, Saarinen declared that there was and there would be no anti-Sovietism in his party "if both sides honestly and consistently adhere to the principles and norms of independence and nonintervention in the internal affairs of other parties as agreed to by both sides."

Finland's communists took into account the fact "that the Soviet Communist Party is a great party worthy of respect and the leader of a great state," whereas the Finnish Communist Party was "a relatively small party of a relatively small working class." However, "self-confidence" could not be a matter of size, since small parties also had a right to "their own identities and self-respect." Only that would satisfy the requirements for a feeling of belonging to the same community as larger parties.

Saarinen, who wanted his comments to be clearly understood as "news" for the Soviet party, simultaneously defended the "historic compromise" with Finnish conservatives that his supporters advocated and warned that the Finnish Communist Party threatened to become a victim of its own "stupidity" if it continued to entangle itself in disputes over policy.

It was precisely the idea of a Finnish "historic compromise" that the Soviet party had violently attacked in its warning letter, written by Latvian Politbureau member Pel'she. Moscow argued that this concept had meanwhile even "been shelved by the Italian Communist Party because it had created such a stir." The idea that the Finnish bourgeoisie could be labeled "progressive" amounted to nothing more than communist conformity to the activities of other political forces, and it would thus bring about a loss "of all positions" of Finland's communists. The Soviet party had always attempted to help the Finnish Communist Party "in its most difficult fight for peace, democracy, and social progress." But it was certain circles in none other than this same party that endangered Marxism-Leninism, which "can have far-reaching negative consequences for Finland's internal situation, the constant deepening of Soviet-Finnish friendship, and the cooperation of the peoples of both nations."

The first reaction among the 522 delegates to Saarinen's unequivocal counter-offensive was embarrassed silence. The majority, however, gave him an ovation lasting several minutes when it came time to bid farewell to him. Meanwhile, however, that which observers later unanimously called a tragicomedy and an unprecedented event in the history of communist parties occurred publicly and behind closed doors.

Saarinen's decision not to run for another term, which had been announced a while earlier, was intended to force the resignation of deputy and Stalinist adherent Sinisalo. Official party procedure provided first for the election of a new central committee. An election board, assigned the task of nominating 50 candidates, saw its selectees rejected twice and was thereupon itself replaced. The third vote was finally "successful" after hours of wildest speculation. In any case, the election of a new central committee was announced whose job it would be to choose the party head and the politbureau.

Actually, everything did seem to be going according to plan and to be calculated to arrive at a compromise. Although every single functionary attacked by name in Moscow's letter was reelected, Labor Minister Kajanoja, who was more acceptable to the Stalinists than Saarinen's close ally Secretary General Aalto, became the new party leader. While Aalto retained his old position, Stalinist "chief ideologist" Toiviainen was chosen to be party vice chairman.

Hardly had the delegates begun to applaud this compromise than the new vice chairman Toiviainen icily announced that he and the other Stalinists were not

available for "cooperation" in the party's executive committee, politbureau and central committee. Although hardly anyone understood it immediately, this declaration really sealed the de facto split that had existed in the Finnish Communist Party for years. The general confusion, however, openly became spooky when a top communist functionary in despair began to sing the International and thus compelled the congress delegates to "celebrate in song" the disaster of their party.

9873

CS0: 3103/472



## SORSA FORESEES PARLIAMENT MAJORITY FOR SDP, CONSERVATIVES

Helsinki UUSI SUOMI in Finnish 24 Apr 82 p 8

[Article: "Parliamentary Majority for SDP and Conservative Party"]

[Text] Prime Minister Kalevi Sorsa predicts a parliamentary majority for the two largest parties, the Social Democrats and the Conservatives.

Sorsa made this prediction in an interview granted to the Swedish newspaper AFTONBLADET. He, however, does not believe in government cooperation for these two parties.

"It is natural that a democratic left and democratic right are alternatives and not partners in cooperation," states Sorsa in the interview.

On the other hand, there are trends in the Conservative Party which have very little in common with the traditional political right, notes Sorsa in opening the government's door just a crack in the direction of the Conservative Party.

The Prime Minister emphasizes that there are no obstacles in principle to the participation of the Conservative Party in the government.

The possibility of tighter coalitions is considered in the interview. Sorsa points out that it is not probable that the left would form a government alone.

"Thus there has been ever increasing talk about a bourgeois majority. Some want a counterweight to a Social Democratic president. Such would be a bourgeois government," surmises Sorsa. The present situation in which the president and the prime minister are Social Democrats is according to Sorsa upsetting to the bourgeoisie.

Sorsa thinks that the unemployment problem will be one the biggest points of dispute in compiling next year's budget. The situation is not made any easier by the large differences in the evaluations of economic development and economic predictions.

Sorsa thinks that the present situation in the Communist Party is a result of the narrowing down of the Communists' electoral base in proportion to the changes in society. This development has been further accelerated by the on-going conflict in the party.

Even though a portion of the majority in the Communist Party wants the minority out of the party and a portion of the minority seems to want its own party, a broad section of the party wants to keep the Communists together.

In Sorsa's opinion as a result of this process a healing that is slightly surprising is taking place in the People's Democratic parliamentary faction. According to the final comment in the interview this healing process has brought 11 new supporters for Sorsa's government into the Finnish Parliament. Time will tell whether AFTONBLADET is correct.

10576

CSO: 3107/116

## CONSERVATIVE CHAIRMAN HITS IDEA OF DEAL TO ENTER CABINET

Helsinki UUSI SUOMI in Finnish 26 Apr 82 p 3

[Article: "Conservatives Will Not Buy Government Posts"]

[Text] The Conservative Party will not make any kind of "deals" in order to enter the government, answers Chairman Ilkka Suominen to questions presented to the Conservative Party over the weekend.

SDP Party Secretary Erkki Liikanen demanded that the Conservative Party make some kind of a concrete public statement on issues of the future. This would clarify the Social Democratic stand regarding government cooperation between the Conservatives and the Social Democrats.

When Center Party Chairman Paavo Vayrynen demanded that the Social Democrats make a decision on cooperation between the Conservative Party and the SDP as well as the Center Party, Vayrynen was speaking only according to an old formula in the opinion of Suominen. It did not contain anything new.

In Suominen's opinion the Center Party is only attaching itself to the side of the SDP as a diminishing party and is eating out of the hand of a unified left.

Suominen pointed out to the Social Democrats that in many important questions the views of the Conservative Party and the SDP are closer to one another than the views of the SDP and the Center Party. In Suominen's opinion the SDP, however, wants to cooperate with the Center Party since "the political appeal of the Center Party to the people is a weaker drawing force than that of the Conservative Party".

According to Suominen's estimation the only possibility for the continuing existence of the Center Party lies in the fact that it remain as a ruling party.

In Suominen's opinion the discussion so far has not provided any answers for the type of government that will be formed after the next parliamentary elections.

10576

CSO: 3107/116

## COMMUNIST RANKS IN NORTH TORN BY DISPUTES

Helsinki HELSINGIN SANOMAT in Finnish 1 May 82 p 20

[Article by Jorma Korhonen: "Truth Eludes Northern Communists"]

[Text] The clay surface road leading to the village of Venejarvi in the township of Kolari is suffering from damages wrought by the spring thaw. The surface is bulging, the mud splashes, and the road becomes a quagmire. Leevi Matteus Lammi lives at the end of the road. He is 65 years old and is a Communist, who has experienced many spring thaws, and is a man of principles.

Venejarvi is famous for its Communists. At the beginning of Finland's continuation war during World War II the men of the village made a group decision that they would not engage in a war of conquest against the Soviet Union -- especially not in a front with Hitler. The men of Venejarvi became Communists. Leevi Lammi is one of them.

Now Venejarvi's Communists are not as unified, but factionally divided, as the political term goes. The division in the SKP [Finnish Communist Party] reached the northern villages late and perhaps in a more moderate form than in other localities, but the dispute is real: even there Communists are pitted against Communists.

Veteran Leevi Matteus is sad because of this conflict: "Workers in Finland cannot accomplish much even if they are united. Those who are sowing the seeds of dispute are making a dreadful mistake by deprecating the work and efforts of others."

The workers' hall in Kolari is the site of a consulting and informational meeting for active members of the party. The subject is the preparations for the SKP's extraordinary congress. Attending are a representative of the party leadership and the education secretary from the Lapland District Organization. Mauri Kylmamaa, Alpo Palovaara, and Kostti Heikki of Kolari, who will attend the extraordinary congress, listen to the information in all seriousness:

"The restoration of unity is the most important issue, and the questions connected with it must also be clarified. The membership demands this."

When the same men attended the SKP's 19th Congress a year ago, they had a definite feeling that the party had begun the process of restoring unity. But now a feeling of the threat of dissolution and its pressures prevail.

These serious northern proletarians are disgusted with the endless conflict as well as with the political incapacity resulting from it. Alpo Palovaara sees a former party of struggle that has become perverted in its spirit as well as in its ideology and particularly in its leadership methods.

Leevi Lammi conjectured that the conflict in the party is growing not so much as a result of principles, but as a result of a greed for power and a power struggle. He makes reference to the 1930's when the party was in fact directed from Venejärvi. At that time Juho Eemeli Lakkala, the leading figure and agitator of the northern rural proletariat, lived in the village and had a forceful impact.

He forcefully disseminated ideas around the community, at times he was put in jail for agitating the people, he returned and disseminated additional ideas learned in jail. At that time Leevi Lammi was in his early youth and lived in a 24-square meter shack as one of 13 children born to a cobbler. Lakkala's teachings were absorbed by a youthful mind.

"Juho Eemeli was another Jesus for us," states Leevi Mattheus in recalling the past. "Now there is no longer any authority in the party. Therefore, party morale has declined and it has become a time of suspicion and distrust."

#### Minister Hard Pressed in Rovaniemi

On the roof of the workers' hall in Rovaniemi there is a neon sign that reads "Kino Royal". Inside Labor Minister Jouko Kajanoja is delivering a speech to a group of people making preparations for the extraordinary congress: "In the party there are two dangers: first of all, a continuation of the present situation and, secondly, the complete and final dissolution of the party.

"The present situation cannot continue since the experiment with two lines has completely failed. It must be dismantled and now is the last chance. You must understand what a party split would mean: support would disintegrate, the party's economy would collapse, there would be a painful division of the estate and a long-term period of mutual recrimination. And the Social Democrats would take the whole Finnish workers' movement in one fell swoop."

The audience listens wide-eyed. The minister's appeals for unity receive support. But just as many also rise to ask why even you, Comrade Kajanoja, have placed your name in the running. "Is not this also factionalism, even in the name of a third line?"

Kajanoja is hard pressed to provide an assurance that he is not promoting any kind of third line, but is only promoting unity and the implementation of the party's programs. The dispute goes into full swing. Names and demands for expulsion are thrown about the room.

"What are the meetings of the Karhu cabinet?"

"Under what conditions is the party in the government?"

"What is the majority's minority and the minority's majority?"

"What, what, who, who, why, why?"

"Why are decisions made as the work of the party office and not at meetings?"

The truth eludes the rank and file of the SKP.

Kajanoja explains. He considers that the party did not take advantage of the visitation period after the 19th Congress to benefit the promotion of unity. Opinions were favorable to unity even though the conflicts remained. As last summer passed and fall arrived dissension reared its head as before since those who were most disappointed with the decisions of the congress became active and placed their factionalism on even stricter lines. The conflict became aggravated in the party's visible leadership when the leadership submitted a bankruptcy application last February or called for the convening of an extraordinary congress.

"The leadership which put the party in a state of bankruptcy must be changed at the extraordinary congress," emphasizes Kajanoja. "When Aarne Saarinen leaves, Taisto Sinisalo must also leave and Urho Jokinen must give up his place in the Politburo. These resignations will have important symbolic significance."

A young man, who is a supporter of Sinisalo, rises and asks: "Why should not Arvo Aalto and Arvo Kemppainen leave as well. Their resignations from the party's leadership would be justified and not just symbolic?"

The newspaper KANSAN TAHTO, which acts as an unbiased arena of party discussion and as an interpreter of the moods of northern Communists, receives severe criticism from the Taitoite faction: "KANSAN TAHTO is afraid of unity. It promotes the rebellion movement since the clique that has developed around it was disappointed by the decisions of the 19th Congress."

"Nonsense, nonsense," another voice calls out in between, "KANSAN TAHTO is not looking for revenge, but is acting in exactly the manner prescribed by Communists in the North. It listens to the voice of the rank and file."

Kajanoja prepares to depart. "Why is the minister in a hurry even though the question concerns such an important issue and there is much to talk about?"

The minister is still compelled from a standing position to explain why the party is participating in the government under present conditions: "In this country the government program will not be written according to the conditions of the SKP until socialism exists in Finland. This is the way it is even though the People's Democrats will soon have something to be vigilant about in government policy," he assures upon departing.



"It was good to put Kajanoja in a tight spot," titters someone upon leaving the hall, "members should always talk to their leaders critically".

A feeling of uncertainty prevailed in the meeting hall.

Employment Secretary Helge Myllyoja of the SKP's Lapland District office surmised that a united group will leave for the extraordinary congress. There will be 66 representatives from Lapland and this group will be the largest. In interpreting the votes among the rank and file Myllyoja sees that increased demands will be presented at the congress.

"The rank and file cannot approve of the fact that the membership is forced into two bags hidden away from the surrounding world and is made to be history's messenger boys."

#### Everything Began With The Forest Guards

Leevi Mattheus Lammi, a forest guard and the People's Democratic member of the Kolari Township Council, describes a picture of present society: "Finland is good, but is not ready and is not the best. The revolution has already taken place: equality has been achieved to a rather extensive degree, but there is still work to be done to bring equality to pensioners and wage earners. A revolution by peaceful means is the best. If the sword must be unsheathed, good will not follow. Thus killing must be rejected and the peace movement honored. Politics must not be ruined by shrillness. The Communist Party must be able to accomplish a solution by itself, and who is not satisfied with a majority decision should leave. This will lighten the load."

Lammi squeezes his wife about the waste and declares that he is now living his best days. "Look at how it happened: everything began with a decision to enter the forest guards.

"If I had not been in the forest guards, I would not have been able to enter the Sirola Institute; if I had not entered the Sirola Institute, I would not have been able to become the health inspector for the township of Kolari. And if I had not become the health inspector, I would not be receiving this good of a pension."

Leevi Lammi once again refers to the past. Last summer he assembled a group of volunteers to restore a log cabin that was used for hiding by the forest guards. It is now a tourist attraction and is used as a facility for meetings. A sign at the main road pointing to the cabin reads: "Cabin of Suffering".

Lammi also recalls times when violence was used as a means to bring dissenters into line. Residents along the road to Venejarvi still bear the scars of those times. There are men who have never been able to work or live a normal life after the beatings.

"There is no longer any reason to poison the life of the people, peace must prevail," states Leevi Lammi, a forest guard.

Workers in the North will once again march under the banners of peace on May Day. The strife in the party will be concealed behind flags and banners. In Kemi this will not be seen since the majority will not allow Esko-Juhani Tennila to speak to the city's cadres. The speech will be given by Mikko Ekorre, a consistent supporter of the majority and the leader of the Lapland faction at the extraordinary congress.

10576

CSO: 3107/114

## BRIEFS

LIBERAL PARTY WOOING SDP--The LKP [Liberal Peoples Party], which is to join the Center Party in the summer, also intends to approach the Social Democratic Party. The platform of principles prepared for the years 1982--84 states that "the LKP will purposefully strive to increase cooperation with the SDP in the areas of economic, social, and cultural policies." The party justifies this aspiration by social harmony, which lies in the ability of centrist factions and the Social Democrats to agree on issues. However, it is also noted in this platform that cooperation with the Conservative Party is not possible since the party is striving to destroy the political center and enter into a bipartisan rule with the SDP. The LKP's platform of principles will come up for discussion at its party congress in June. [Text] [Helsinki UUSI SUOMI in Finnish 27 Apr 82 p 3] 10576

## MITTERRAND DEFENSE POLICIES REVIEWED AFTER YEAR

Paris LE MONDE in French 8 May 82 p 9

[Article by Jacques Isnard: "Defense: the Guardian of the Sacred Flame"]

[Text] The guardian of the sacred flame. This is how he appears today after one year of his presidential term, Francois Mitterrand, chief of the armies and the principal promoter of a defense policy that continues to be founded on nuclear deterrence.

Pierre Mauroy was the first to explain, last September, that in this area of defense imperatives there would be more "permanence" than change. The president of the Republic, more recently, on the occasion of his trips to Japan and Denmark, reminded his listeners, not without firmness, that he would continue, "regardless of the inconveniences," a deterrence policy guaranteeing national independence.

Such affirmations did not really surprise anyone, even though they bear witness to the slow evolution of the PS leaders, from the time when they formed the opposition to the Fifth Republic, on problems of French strategy.

In fact, the appointment of Charles Hernu as minister of Defense marked from the outset the choices of the new government. Before 1981 Mr Hernu was the Socialist leader who led his party toward more realism on the subject of defense by not concealing his own orientations in favor of nuclear armament. Having become minister of Defense, he confirmed in an interview with LE MONDE that he personally had no intention of repudiating his commitments: "independent nuclear deterrence will be developed," he asserted.

### The Spirit of Continuity

A meeting of the Defense Council at the Elysee on 30 October 1981, moreover, decreed a series of decisions of principle, all of which contribute to designing the French nuclear arsenal for the 1990's, with construction of a submarine equipped with an equally new M-5 strategic missile, with the start of work on an intercontinental ballistic missile which would be mobile for reasons of increased protection, and with the study of a tactical missile, the Hades, intended to replace the Pluton.

Most of these provisions had been prepared some time before by the previous government but, clearly, the single fact that it wanted no interruptions [in the program]

after May 1981 demonstrates the new government's spirit of continuity in an area in which there has been no hiatus from Gen de Gaulle's time to the present.

This continuity is also manifested by the decision to maintain in place the various chiefs of the military hierarchy, as well as those who hold the large operational command posts. The army has remained outside the practice of the American-style "spoils system"--changing the men in positions of responsibility--which prevailed in several other government administrations after May 1981. This policy was apparently very much appreciated by the military community.

#### The Reserved Area

The fact remains that the defense dossier continues to belong to the area said to be reserved for the chief of state.

This situation undoubtedly explains the difficulties Mr Mauroy's government is having in publicly expressing what it expects to do about military service, concerning which the Socialist candidate for president said that it must be put back to a six-month duration.

The prime minister and the minister of Defense have on several occasions stated that reform of military service was ill-timed, taking into account the international tension and the economic crisis, and that improving the "content" of that service--the lifestyle in the barracks, the training of units and their operational capability--was more important than its duration.

This dual stance disappointed many young people, including those in the Socialist Party. During the first year of his term the President of the Republic was content to show, as a general rule, that he would keep all the promises he had made as a candidate, but that he had his entire seven-year term in which to fulfill them.

If we exclude the serious debate on the defense budget's place in short- and medium-term public spending, there is no doubt that the organization of the military service will become one of the principal questions on the agenda. For, if he honors his commitments the chief of the armies will have to face a dual misunderstanding: that of the Communist Party, which has come out in favor of one year of service, and that of staff headquarters, in whose opinion the duration of military obligation is dependent upon the armies' missions.

8946

CSO: 3100/642

## RIGHT WING OPPOSITION EFFORT SEEN AS FIRM, OPTIMISTIC

Paris LE MONDE in French 8 May 82 p 8

[Article by Andre Passeron: "A Firm and More Optimistic Opposition"]

[Text] It would certainly be putting it too strongly to say that the members of the opposition are happy people, but they are not in a state of melancholy about their new condition. Although the failure of the outgoing president last May came as no surprise to many of the leaders, on the other hand they were amazed at the magnitude of the left's success in the June legislative elections. The very importance of that victory--which was accentuated by the multiplicative effect of the two-round majority vote--was resented by them as a phenomenon so aberrant that it could only be an historical error. Also, the survivors of the former majority immediately set to work to erase the "error."

Gaullists and Giscardians lost no time in reacting, and at the July parliamentary session they badgered the majority. Not only did they adapt themselves quickly to their new role as members of the opposition, but they prepared their revenge.

First, however, they had to settle the internal problems caused by the trauma of defeat. The UDF, with the loss of the Elysee, was naturally the most affected. To such a degree that its very existence seemed to be compromised. Founded to support Valery Giscard d'Estaing, it found itself projected into the opposition without the power to get hold of a program, of effective structures, of a leader. It had to learn everything at the very time when quarrels between persons were growing bitter and the various parties that make up the UDF were aspiring to increase their independence.

Realism took over in the autumn. The UDF chose to adopt flexible structures--of a confederation--which respect the parties' concern for independence, and its chairman, Jean Lecanuet, announced: "The UDF, having completed its changeover, has given itself the means to a new start." He set an early date: the March 1982 cantonal elections.

The RPR was better able to take the failure of spring, 1981.. Not only did it not lose the supreme power--which had already been a fact since 1974 and 1976,--but its leader in the first round of the presidential election realized an honorable score (17.99 percent), higher than Mr Chaban-Delmas in 1974 (15.10 percent) and the DIFE [expansion unknown] slate in the 1979 European election (16.31 percent). Moreover,



the RPR, which since late 1976 had been carrying on an increasingly systematic dispute with the government and had in some way acquired a certain experience, was able to enter more spontaneously into its role as avowed opposition. It even gained some clarity and credibility from it.

Since then, the mayor of Paris has rallied around himself all those who since 1974 had been scattered and had occasionally opposed him: the grouchy "barons" like Olivier Guichard, the "Gaullo-Giscardian" ministers like Mr Peyrefitte, the "Debreists" like Messrs Foyer or Mazeaud.

Moreover, the RPR was able to attract some Giscardian militants or radicals and expand its membership, especially among young people. The movement's leaders claim that since early in 1982, 5,000 new members a month have been registered. Also, it was no surprise that Mr Chirac was almost unanimously reelected chairman of the movement at the national meeting in Toulouse last 24 January.

Necessity knowing no law, yesterday's majorities have officially hung up their quarrels and begun a new cooperation. Mr Chirac has had only one brief telephone talk with Mr Giscard d'Estaing in a year, but he has met with Jean Lecanuet on several occasions. Delegations from the two organizations meet regularly.

In Parliament, the groups keep each other informed of their initiatives and file censure motions in turn. In the big debates--nationalizations, decentralization, audiovisual--one could see a "little band" of RPR and UDF deputies dividing up their roles to amend the government's bills.

Bridges have also been opened up between the two parties, consisting of parliamentary circles or clubs where sympathizers of all opposition groups meet, some inspired by the RPR, others by the UDF. Today's opposition members are rediscovering the virtues of these flexible and unconstrained structures that were profitably employed by the left at the beginning of the Fifth Republic.

Their leaders, however, were not dreaming of setting out again to conquer the government before the 1983 municipal elections. The RPR has taken advantage of the waiting period to harness post haste the discontent that appeared at the end of the summer of 1981. The Chiracians were clever at exploiting the dissatisfactions and fears that had arisen, at the time of the first governmental measures, in professional circles, among craftsmen and merchants, industrialists and farmers, among salaried executives, but also among investors and, more recently, among the parents of public school pupils and those who are worried about insecurity.

Although it was late in getting started, the UDF was not to be outdone. Each of its components did its best to give greater importance to the action in the field and organized to train and recruit new candidates for future elections. In particular, Charles Millon, a deputy from Ain, during a unitary meeting in Lyon (LE MONDE, 31 January-1 February), proposed that the opposition electors "enter en masse the pupils' parents' associations, the trade unions, the groups of all professions and all persuasions" and "not neglect any place in which they can introduce themselves."

## Encouraging Election Results

Mr Chirac was still saying that the result of the 1983 municipal elections would be the first test of the recovery of the opposition when, to the general surprise, the four legislative by-elections of 17 January 1982 were won in the first round by three members of the RPR and one UDF member, all of them single opposition candidates.

At that time, hope changed sides. The opposition's trumpeted triumph even caused it to be accused by the majority of trying to "destabilize" the regime. Mr Chirac had actually predicted that if the opposition were to become the majority in the country, the chief of state might be driven to bring about the anticipated legislative elections by pronouncing the dissolution of the National Assembly. The more vigilant behavior of the Communist Party and more critical behavior of the CGT toward the government did not cause it to abandon that possibility. In March, the success of the UDF and especially the RPR candidates in the cantonal elections confirmed in their own eyes that "the opposition is important," as the Gaullist movement posters proclaim.

The winning back of local government--the opposition now possesses, back home, 59 general council chairmanships against 36 for the majority, and 11 regional council chairmanships against an equal number for the left--has fired the opposition's determination to take the offensive in the investiture of the municipalities next year.

A kind of optimism has crept over the UDF leaders, who believe their movement can again become a force to be reckoned with. They are congratulating themselves for having met the expectations of the rank and file who "desire union above all else." Then the UDF welcomed to its political bureau the man whom it had preferred to leave in the background up to that time: Mr Giscard d'Estaing, the new general adviser to the Puy-de-Dome. On the other hand his return, so long awaited by the faithful, aroused some reservations in those who deemed it premature. In fact, not until its October congress will the UDF approach the problem of the potential merger of its components with that of "the presidential man." It will then choose a strategy that will make it appear to be the movement of alternation. So for now it must, as emphasized by Jean-Claude Gaudin, the chairman of the UDF National Assembly group, "avoid having cohesion and dynamism appear to be the exclusive property of the RPR."

### A Tight Game

On the RPR side, veritable blasts of euphoria accompanied even the relative successes of its candidates. It is true that for almost half a century the ups and downs of history and political reverses have never exhausted the reserves of hope among the Gaullist militants.

However, Mr Chirac, who is certainly perceived for the moment as the opposition's principal leader, is playing a tight game, for he is not unaware that he must still make progress. The disaffection of one section of public opinion with regard to the government, or at least some aspects of its policy, has not yet been transformed into support for the person and policy of the mayor of Paris. He believes that "public opinion's resignation has for the moment been transformed into anxiety, but not yet into overall discontent." According to him, "the opposition is not yet really perceived as an alternative majority, and is benefiting chiefly from the left's political rejection reflex." Little by little, however, he is managing to give himself a

more attractive image, making people forget the too-abrupt nature of his temperament. For a year he has kept from feeding the old grudges of his Giscardian allies, who were able to charge him with having deliberately contributed to the victory of the left. In a good will gesture toward the UDF he refuses to allow Giscardians who are too well known to join the RPR. He tirelessly preaches majority union, not forgetting, however, his own party's interests. Although he speaks less frequently in public, he is actively engaged in running the capital and takes care of its international relations by traveling abroad and receiving many diplomats.

By talking with Mr Mitterrand basically at the Parisian level of "technical" but honest relations, he demonstrates his respect for the office of chief of state and the personal esteem he has for the holder of that title. But, by arguing with the government's "social-communistic" policy, he positions himself as a candid and determined opponent.

However, other RPR leaders believe that, because of the very nature of the regime, they cannot for much longer spare the chief of state--not because of his person or his office, but because of his policy--and be content with criticizing the members of the government. The Gaullists have never placed the policy of the president of the Republic beyond debate, since he inspires and defines all of the government's activity. Did not de Gaulle himself accept being challenged?

Did not Giscard d'Estaing been criticized, not only by his opponents but also by his own allies? Did not Mr Mitterrand, throughout the Fifth Republic, demand the departure of Mr Pompidou or Mr Barre, and even of Gen de Gaulle in 1968? To the extent that a chief of state--like Mr Mitterrand today--is not content with "christening chrysanthemums" and applies his electoral program without concessions to the opposition, the latter has a right to fight politically to present to public opinion an alternative solution.

This reasoning, which is developing within the RPR, announces a hardening among Mr Chirac's friends toward the political choices and directions of the Elysee. It has just been clumsily illustrated by the solitary fuss created by Claude Labbe. The Chiracians, like the Giscardians, charge the government with four things: it projects an image of inconsistency, it is incapable of explaining its policy, it behaves intolerantly, it does not ensure security. These words are repeated in all the speeches by opposition prosecutors. According to them, this attitude will have three consequences: exasperated opponents, a dissatisfied leftist popular electorate, a reflux on the part of the middle classes and the women who voted for Mr Mitterrand. Mr Chirac, for example, fears that misunderstanding, even aversion, will be exacerbated and will precipitate France's being cut in half, compromising all hope of reconciliation. He is still hoping, however, that Mr Mitterrand can "remain sane" and will himself state what he will do.

For his part, Mr Giscard d'Estaing, after a "retirement" interrupted by the taking of several positions on subjects he deemed essential (the readjustment of the franc and the Polish crisis in particular), seems to want to bring about his return. Now, he is participating in the work of the UDF political bureau, even as he is conducting within his "Council for the Future of France" some reflections on "after-socialism," so that "public opinion, when it decides to put an end to the present experiment, will not have the feeling it has fallen into the void." It is because he believes that the year 1983 will be the decisive one that the former chief of state wants to

wage the future battles in the bosom of his political family. Carefully--"a quarrel between men would be inadmissible"--but without false modesty.

As for Mr Barre, whose name comes up in a discussion of "presidentials," he is keeping firmly aloof, preferring to pile up "private" meetings with international experts, economists, but also with some rank-and-file elected officials.

One year after the victory of the left, the opposition declares itself surprised by the rapidity of the deterioration of the political climate, although it does not fail to contribute to it on occasion. Its members assure us that they did not expect to see the government commit so many errors, acknowledge that this behavior has greatly facilitated their task and favored their progress, but they confess that this is still not enough to create the conditions for the alternation they are calling for. In the UDF, as in the RPR, it is recognized that, having received without too much effort the fruits of harvests planted by others, it is now going to be necessary to do one's own planting.

8946

CSO: 3100/642

## PAPER COMMENTS ON REFUSAL TO JOIN NATO EXERCISES

## Public Opinion Agrees

Athens TO VIMA in Greek 4 May 82 p 1

[Tex] "We absolutely agree" is the silent answer of public opinion to the National Defense Ministry announcement 2 days ago that the Greek Armed Forces will not participate in the NATO exercises in the Aegean and that the government will not allow Greek space to be used during such exercises.

The reason given in the announcement is more than sufficient. The government decision was reached as a result of "issues concerning the command, control and flight security procedures" relevant to such exercises. In other words, the Greek views concerning these issues were rejected by the NATO military leadership.

Why were they rejected? Only this leadership knows what Greek public opinion knows--and it is sufficient reason--that NATO has not thus far shown any sensitivity toward vital problems concerning the security of the Greek sea and air space during the unique "festival" of Turkish violations which have been taking place for years now and with NATO means, moreover.

The concern, therefore, of the Greek government is sound especially since--and this is of particular importance--it is urged by the Greek military leadership to take care of, alone this time, "its own affairs"--to look after alone and without the help of its "partners in alliance," the security of the country's air space in order to avoid the establishment of "bad precedents."

It would be an outright masquerade to let the Turkish airplanes carry out legally, under the umbrella of NATO, what they have been doing thus far illegally under the sign of the crescent when they violated the Greek air space. Would not this be an "ex post facto" legalization of their illegal actions?

By announcing the withdrawal of the Greek Armed Forces from the NATO exercises and by excluding the Greek space from such exercises, the government has done its first duty. It remains to complete its second duty also--to maintain, as is most surely expected, its realm and determined stand toward provocations which the troublemakers in this area can possibly create during the exercises in the Aegean under the pretext of their participation in them. Calmness assures the correct assessment of the dimension of the provocation and of its real objective and is

a prerequisite to a rational response, while determination leaves no doubt at all to the provocator that we are not bluffing and that we mean what we say...

### Greek Strength Proved

Athens TO VIMA in Greek 6 May 82 p 1

/Text/ The compliance, finally, of the NATO military leadership with the Greek objections to the use of part of the Greek space for the exercises now going on in the Aegean proves a lesson: when the Greek government demands clearly and determinedly its rights at an international level it always has considerable hope of getting them. The change in the plan for the exercises and the shifting of their area further east toward the Turkish coast were satisfactorily accepted by the public. Perhaps the only ones displeased were those who hoped that the Greek objections would be rejected, those who had foreseen clashes in the NATO and Greek sea and air space, air fights and craft sinkings--a transformation, that is, of the North Aegean Sea into a...Falkland Islands archipelago--and involvement of our country in international adventures.

Yet, what a pity that the NATO military leaders "did not first have" their "second thought," as the saying goes, and as the political realism dictates. It is a pity also that the political reality did not inspire the NATO military leadership with the only proper decision: to accept in their totality the Greek objections to "issues of command, control and flight security procedures," objections relevant to the exercises.

It is possible that these leaders may have already learned that only Greece has gained from this lack of realism while the exercises go on. As concerns the hasty and ill-motivated critics of the government stand--among whom is not included of course the leader of the major opposition who reserved his answer until he was first briefed officially by the government--their only hope is to be treated sometime for their syndrome of servility which is tantamount to "kill me, my master, so that I can gain sainthood."

7:20

CSO: 4621/340



## PAPANDREOU REMINDED OF 'NO FUNDS FOR NATO' PROMISE

Athens RIZOSPASTIS in Greek 6 May 82 p 2

[Text] In blatant contradiction to common opinion worldwide, which demands that drastic measures be taken on behalf of detente and disarmament, the "European group" of NATO is debating in Brussels on whether to increase military expenditures by 4 percent per year (at fixed prices). This constitutes a new and aggressive escalation of military expenditures in conformity with the impudent demand of the American imperialists. These merchants of death are not satisfied with the previous increase in military expenditures by 3 percent, which led to an accentuation of the pursuit of armaments. They are striving to achieve a new increase by piling intolerable burdens on the backs of the European member countries of NATO. And all this is being done with a view to installing the "Pershing 2" and "cruise" nuclear missiles, as well as other improved means of mass annihilation. These actions will make richer the American monopolies, which are indifferent to the fact that in this way humanity is being dragged down the road of thermo-nuclear conflict. The decision which is going to be taken today by NATO's "European group" in Brussels, under the threats and arm-twisting of the United States, is a new proof that Greece has nothing in common with such an "alliance" of cold-war aggression. The possible acceptance by the Greek government of this new increase in military expenditures on behalf of NATO will be unacceptable to the Greek people. In a period when our country is facing a very acute economic crisis, when the army of unemployed persons is growing, it will be an open and blatant provocation if the government imposes a new oppressive tax so that it may increase the already exorbitant military expenditures. Recently, Papandreou stated officially that his administration will not spend "so much as a thin dime on NATO." But in fact it is spending very significant sums. The Greek people will not stand such an intolerable and detrimental burdening. And they are demanding that this must stop.

12114

REF: 4621/341

## RECENT FOREIGN POLICY INCIDENTS REVIEWED

Athens EPIKAIRA in Greek No 718, 6-12 May 82 pp 13-15

[Excerpts] Many critical complications in our international relations have been noted in the past ten days: with the cancellation of Libyan leader Colonel Qadhdhafi's visit; with Mr. Papandreou's denunciation of the Kyprianou-AKEL cooperation; and with NATO's refusal to accept a Greek request for exclusion of a phase of an allied exercise which, in Athens' view, encroaches upon our sovereign rights in the Aegean.

The most significant of these recent international complications for our country was that relating to the NATO exercise in the Aegean. The Greek manipulations did not have the planned effect; on the contrary, the phenomenon was repeated of..."the allies conducting exercises in the Aegean with the Turks, in the absence of the natural owners of the area," in the words of an old serviceman.

The NATO exercise "Distant Drums," which was conducted on Tuesday, 4 May, in the Aegean air and sea space "within the Athens FIR," was a routine exercise. It was not a special event. After the details were decided, the Greek Government asked that a section of this exercise not be conducted which, in its view, "encroached upon Greece's sovereign rights."

Greece's request for exclusion of this phase of the exercise was submitted to the NATO Military Committee which rejected it. So, on Tuesday morning, 4 May, air and naval forces of Turkey, the United States, Italy, Great Britain and France performed maneuvers in the "international waters" of the Aegean, without Greek participation.

## Rumors

As concerns the exercise in which Greece did not participate, in the end, many diverse rumors were circulating.

Adversaries of the government said that the decision was made suddenly, whereas its phases were known long ago. Others said that the Greek objection did not have a "significant objective." Still others associated the refusal with other anti-American acts of the government, the purpose of which is to strengthen the Greek side's negotiating ability at the 10 June summit meeting in Bonn, where Greek-American problems will be dealt with.

Finally, a strange and improbable story developed: It was rumored that since this exercise would end south of Crete, in areas Libya considers "its own" territory--and it has expressed intense oppositions about the exercise--Greece considered this an additional reason not to participate. In fact, some probably more imaginative people talk about an "exchange," with which Papandreou pressured Qadhafi to postpone his "troublesome" trip to Athens....

#### Greek-Cypriot Crisis

The "national error," which our political writer, Nikos Angelis, wrote about in the previous issue, was rectified in a certain fashion on Friday, 30 April, and an overt rupture between Athens and Nicosia was avoided. But its public settlement caused a new complication when it was denounced as "cruel intervention in Cyprus' domestic affairs."

#### Settlements

The dispute between Papandreou and Kyprianou seemed to be settled on Sunday evening, 2 May, when Kyprianou stated:

"I would like to underline that the DIKO [Democratic Party]-AKEL joint program in no way and in no circumstances opposes the Athens-Nicosia line, nor does it conflict in any way with it. In this program, for example, in the first two paragraphs, the fact that the Cyprus problem is an issue of invasion and occupation is stressed, as is the need for terminating the consequences of the invasion. And, most assuredly, the foremost of these is departure of the occupying troops and the refugees' return to their homes."

The government representative in Athens expressed satisfaction: "The Greek Government notes with satisfaction President Kyprianou's statement, which reaffirms the joint Athens-Nicosia line as it was defined during the Greek prime minister's visit to Nicosia and the recent meeting in Athens."

"Particular attention was given to Mr. Kyprianou's assurance that not even the smallest change is possible if it has not been jointly agreed upon, since the policy on this great national issue must be long-term and firm."

#### Not A Nomarch

But AKEL was still furious on Tuesday, 7 May. In a series of communiques and demonstrations, it has been attacking the Greek Government for "its unacceptable meddling" in Cypriot domestic affairs.

"Cyprus," says AKEL, "is an independent state, a UN member, with its own entity and government. This is the greatest acquisition of the Cypriot people and whoever strikes at this gain, strikes at Cyprus and the Cypriot people's liberating cause. Those who maintain that the Greek Government has a right to intervene in Cyprus' domestic affairs are equipping Turkey with unshakeable arguments and essentially are justifying the Turkish occupation and Turkey's meddling in our domestic affairs. Mr. Kyprianou is president of the Cypriot Republic, not a nomarch of the Greek Government...."

## A New Complication

A Cypriot politician, an old contributor to EPIKAIRA, commented on the situation created as follows: "The effort to settle the crisis led to a new worse complication. Mr. Papandreou--a prisoner, perhaps, of his pre-electoral exaltations--complicates things as time goes on. Trying to cover his pre-electoral accusation against ND, that it was continuing the dialogue despite the presence of Turkish troops on Cyprus, he now calls the dialogue doomed but does not interrupt it because it is not happening. At the same time, in order to prove that his accusation against ND for "hiding its head in the ground" was correct, he is trying to change the dogma of Makarios--not of ND--that "Nicosia decides and Athens assists" to an incomprehensible "arrangement" which has no essential content. It is fortunate it does not, because if it did, then what AKEL maintains in its statement would happen; that is, Cyprus' independence would be abolished. With all the tragic consequences...."

9247

CSO: 4621/335

## VARYING VIEWS ON REASONS FOR CANCELLATION OF QADHAFI

## Turkey Seen Behind Cancellation

Athens ELEVTEROS KOSMOS in Greek 30 Apr 82 pp 1, 10

[Excerpt] Despite the efforts the Papandreou government has exerted for the last two nights to reduce and undergrade the importance of the cancellation of Qadhafi's 4-day official visit, reports from diplomatic and political circles state: that the cancellation is of extreme importance since it appears that a foreign factor is involved with the result that the cancellation of the visit is indeed debited to the Greek foreign policy.

According to these same reports as well as to articles in the foreign press, the initiative to cancel the official Qadhafi visit at the last moment belongs exclusively to the Libyan leader himself. Earlier, however, a foreign factor, and specifically Ankara, asked him to call off the visit. Specifically, the reports state that on the basis of agreements for political cooperation between Turkey and Libya, the government of one country cannot by its actions harm the interests of the other, especially as concerns issues of foreign policy. For a long time now the Evren government has been watching the efforts of the Greek socialist party to appear as an extension of the Libyan socialism while it is also concerned about the relations of PASOK as a party with Libya. For this reason, the reports say, the Turkish activity became intensive when Colonel Qadhafi was invited to visit Greece. At the right moment and in a proper way Ankara stepped in and succeeded in calling off the visit.

The same diplomatic circles observed and pointed out that in addition to the Turkish intervention it is worth noting that just 1 day before the visit was cancelled the Papandreou government issued a press release stating that Saudi Arabia's Crown Prince and Prime Minister Fahd [Sa'ud] (whom Colonel Qadhafi has branded as his enemy) was to visit Greece in the future.

(Other Clarifications)

The government made the clarification last night (always in the direction of minimizing the issue) that the invitation was extended to Colonel Qadhafi last November as soon as Papandreou came to power. At the same time, it was pointed out again by the government that no intervention was made by the East or West for

cancelling or not cancelling Qadhafi's visit. The government spokesman said that the government exercises an absolutely independent national and dignified foreign policy and that the Greek people know it. He concluded by saying that this policy has always had as its objective only the national interest.

#### U.S. Blamed

Athens RIZOSPASTIS in Greek 30 Apr 82 p 1

/Excerpt/ The cancellation of Qadhafi's visit to Athens created a deep impression. It is generally believed by the Greek people that the visit was cancelled as a result of various unbearable pressures on the government by the United States in conjunction with economic pressures by Arab reactionary regimes such as that of Saudi Arabia. Evidently, Libya's anti-imperialist stand on a number of issues and especially its unyielding opposition to the presence of American bases in the Mediterranean were the most basic reasons for imperialism's reactions.

Yesterday morning, Gamouti, the head of Libya's Popular Office in Athens, handed the premier a message from Qadhafi. According to a release by the Press General Secretariat, the message "underlined Qadhafi's sentiments of friendship and esteem for Papandreou as well as the excellent relations between the leaders of the two countries."

At the same time, however, the proposal was repeated for a Qadhafi-Papandreou meeting. In this respect, the Libyan leader expresses "his conviction about the importance and the constructive result of his future meeting with the Greek premier at a date to be mutually agreed upon."

The government spokesman said that Papandreou responded yesterday with a message to Qadhafi through the Libyan ambassador. The spokesman said also that "regarding the Qadhafi visit cancellation, no foreign country interfered negatively or positively." He added that the Greek government's invitation was sent to the Libyan leader early in November.

#### Pressures by the "Group"

A great effort was made in yesterday's press to create confusion surrounding the reasons which led to the cancellation of Qadhafi's visit. The most improbable details were projected as reasons for the cancellation while no mention was made of the main reason: who, that is, benefits from the cancellation of the visit. However, the stand of the newspapers owned by the "Group," which avoided completely the roles of the Americans, was most provocative.

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CSO: 4621/340



## CANCELLATION OF QADHDHAFI VISIT ANALYZED

Athens EPIKAIRA in Greek No 718, 6-12 May 82 p 16

[Text] What are the prevailing causes or motives in the scenario of Colonel Qadhdhafi's cancellation of his visit to our country? The question does not have theoretical significance only. The answer relates, in all probability, to more fundamental problems than what is a diplomatic fiasco, as is considered the cancellation--without official and persuasive justification--of an official visit by a leader 48 hours before it was to occur.

The official "explanation" for this postponement was the "unforeseen obligations" of the leaders of both countries, a justification which is anything but persuasive. On May Day eve, the day on which the visit was supposed to begin, there was yet another effort to dispel the impressions caused by the postponement. The Libyan leader and the Greek prime minister exchanged "messages of friendship" with the assurance that the visit will take place in the future, on a date which will be jointly decided.

According to EPIKAIRA's authoritative information, the whole affair developed as follows:

Prime Minister Papandreou had addressed the invitation for an official visit to Colonel Qadhdhafi last November. At that time, a decision on the date, which is usually decided jointly through the diplomatic services, was pending. The Libyan leader surprised the Greek Government when he notified it in March that he would make his visit at the beginning of April; in fact, he even set the date for his arrival, 4 April. Mr. Papandreou had real reasons then to ask for a postponement, since Qadhdhafi's arrival would coincide with the official visit to Italy of K. Karamanlis who, though he himself had not made the invitation, still could not be absent during the Libyan leader's visit.

Colonel Qadhdhafi accepted the postponement, but he again unilaterally set the new date for his visit, announcing that he would arrive in Athens on 30 April. Despite the fact that Tripoli was not following the customary diplomatic procedure in setting up the visit, the Greek Government approved the date, and organization of the program ensued.

## The Formal Obstacles

During this phase, new obstacles arose. Colonel Qadhdhafi considered it "obvious" that his visit would be on the level of state leader and, clearly, that he would be met at the airport by President of the Republic K. Karamanlis, with whom he was seeking to have substantial talks. Moreover, he demanded to speak from the floor of the Greek Chamber of Deputies to the national representation, which is an honorary activity which has happened in the past only with the visits of Eisenhower and De Gaulle.

According to existing indications, the government did not immediately and categorically reject the "conditions" for the visit. Probably, if the president of the republic had given in on the issue of the reception, the government would have been in a very difficult position to refuse to grant the floor of the Greek Chamber to the Libyan leader. But Mr. Karamanlis did not seem inclined to "discuss" the issue. He explicitly indicated to Mr. Papandreou that the invitation, reception and visit were clearly on the level of prime minister and that he himself would simply receive Colonel Qadhdhafi on a ceremonial visit.

### Mr. Karamanlis' Stand

In addition to the formal reasons cited by Mr. Karamanlis, it is very probable--as political observers surmise--that his stand also implied earnest reservations about the timing and manner of Colonel Qadhdhafi's visit. It should be remembered, as regards this, that the current president of the republic had, as prime minister, systematized with exceptional care the opening to the Arab world, always being careful for the Greek side's initiatives in this area not to cause negative reactions. Mr. Karamanlis' guiding line was, and is, that, in order to have positive results, the pro-Arab policy must be practiced in a stabilizing way in the face of intense inter-Arab disputes.

At any rate, irregardless of Karamanlis' reservations, the visit's postponement was decided at Libya's initiative and was related to Colonel Qadhdhafi's "conditions" not being satisfied.

### "Godsent" Excuse

This does not mean, however, that Mr. Papandreou's government did not have hesitations--though belated--about the visit's advisability and repercussions. In fact, many believe that Mr. Karamanlis' refusal to lend a presidential character to the visit was a "godsent" excuse for the government to attain a postponement.

According to these estimates, Colonel Qadhdhafi's coming to Greece was, at this moment, both harmful for the government's more general international maneuvers, and unprofitable as concerns possibilities for developing bilateral cooperation with Tripoli. From a more general standpoint, the visit would coincide with the pro-western rapprochements which the government is undertaking in view of the critical phase which the pending issues of NATO and the bases are entering. Greece would be the first member-country of the Atlantic Alliance and EEC to officially receive the leader of Libya.

At any rate, Colonel Qadhdhafi is--if nothing else--the least indicated forerunner for the visit of U.S. Secretary of State Haig, who is coming to Athens in one week to discuss far more critical issues.

#### Concerning Long-Distance Races

If, in fact, there is truth to Mr. Averof's "estimation" that Mr. Papandreou is practicing foreign policy by "taking two steps forward and one backwards," the nearly simultaneous arrivals in Greece of Qadhdhafi and Haig could have changed the long-distance race into "one step forward, two backwards...."

On the other hand, it is considered reasonable that the government, in the sector of bilateral relations, took into consideration Colonel Qadhdhafi's "drop in shares," both in Libya and on the international exchange. Furthermore, it is indicative that, during the preliminary work for the visit, Qadhdhafi refused to pay Libyan debts, totalling 350 to 500 million dollars, to Greek technical companies, and suggested that the debts be covered with the purchase of Libyan oil, at a price of 38 dollars a barrel, when oil is already offered on the international market at 33 or 34 dollars....

In other words, the government did not have even the convenience of covering the international cost of the visit with triumphant words about "gold mines" of oil or dollars from Tripoli.

9247

CSO: 4621/335

## WORSENING PASOK-KKE RELATIONS ANALYZED

Athens TO VIMA in Greek 30 Apr 82 pp 1-2

[Article by Mikh. Dimitriou: "PASOK Warns that KKE Limits Its Role Dogmatically"]

[Text] Detached from the popular mass movement and being flat and dogmatic in its views about social change after 1974, KKE moves about in the area of the Left with myopic political mentality and monopolistic tendencies. Also, due to lack of tactical foresight, KKE follows a "guerrilla warfare" policy toward the government with maximized demands of the "all or nothing" type. In general, by its behavior the party itself limits the political role of its influence today. These assessments are included in an addendum to the resolution on "KKE's attitude toward the Change" recently taken by the PASOK Central Committee and made public last night.

On the other hand, yesterday's RIZOSPASTIS published an extremely sharp attack against the government because of the postponement of Qadhafi's visit and a second attack in another article against Greek Radio and TV that it has increased its anti-socialist propaganda.

"Regardless of partial details," RIZOSPASTIS writes, "the fact remains that the postponement of the Qadhafi visit is one more sample of how important the government is in following a really independent foreign policy as long as the country continues to remain in the shackles of the Atlantic Alliance. Even the elementary right of the government to invite leaders of countries to visit in Greece is in doubt."

Commenting on this sharp criticism, the government spokesman said that "the government continues its dignified and independent foreign policy. The Greek people know it because this policy's single objective is in the country's interest."

In a sharp new attack last night, KKE announced that the government's statement that it is against the Democratic Party [DIKO]-AKEL agreement in Cyprus "is a flagrant intervention in the internal affairs of an independent nation and revives the old known interventions of the so-called national center."

The long political resolution by PASOK's Central Committee refers to KKE and its attitude toward PASOK and Change from 1974 to this day and points out that:

- a. With PASOK's establishment the radicalism of the masses moved independently from the bourgeois and liberal parties. Also, independently and with radical detachment it moved away from the traditional Left (KKE, etc.).
- b. The social alliance of the exploited and nonprivileged Greeks (and not the partisan-political cooperation as KKE claims) guarantees the march of the socialist change.
- c. Following the fall of the dictatorship, KKE lost the monopoly and exclusivity of even the traditional Left and proclaimed itself after 1974 a guardian and trustee of the "revolution creating ability" and a political opponent to the "proper progress of the petty bourgeois" PASOK. Being captive of the "unique party" and an apostle and apologist of the "state socialism," KKE itself limits its role.
- d. Following the "unfavorable" results of the 1977 elections, the KKE leadership devised scenarios, solutions and parties (Agrarian Party, EAM-leaning Left) which proved to be "clinically dead from its very inception." Yet, these initiatives indicate KKE's intention and aim to rejoin the radical movement from within "controlled unstable, substitute partisan programs" thus limiting PASOK's social base; to monopolize--without success--and to control the area of the Left displacing PASOK politically and to minimize PASOK's independent policy from "controlling" formations.

Further, the Central Committee resolution deals with the KKE preelectoral attitude and particularly with its two main slogans "KKE-Change-Second Distribution" [of votes] and "No Change Can Be Achieved Without KKE." Referring to the first slogan which had "narrow partisan characteristics," the resolution brands it as aggressive. Yet following the elections and the "smashing results" which [demolished] KKE's ambitions, the "17 percent" [from the second distribution] was ignored as a political choice and "neutralized." The KKE leadership (states the PASOK resolution) justified it as an imperative defensive target in order to maintain the party's influence and not lose them in the "avalanche" of the manufactured "bi-polarization." Such bi-polarization, however, was not derived--as KKE claimed or claims--from any individual exhortation of "leaders" nor from any sinister plan of "groups or godfathers." On the contrary, (the Central Committee resolution points out) it was and will continue to be a reflection of the existing and developing social polarization within PASOK (as a basic pole of reference and main lever of popular forces) and ND (as a main political representative of the ruling class).

These differentiations become clearer further in the resolution. Concerning PASOK, it points out that the Greek people voted in a mature way for PASOK as "an independent and self-sustained agent of Change" and at the same time it ousted "regulatory formations which are inspired by the spirit and logic of central negotiations and summit pressures."

Another detailed chapter of the resolution taken by PASOK's Central Committee refers to the crisis in the KKE strategy after 1980 and particularly after the elections, a crisis which until 1980 was hidden under a normal anti-Right strategy and tactic. A proof of the lack of strategy is the inconsistency in the



KKE behavior. As the KKE Central Committee's recent decision has proved, this party continues the policy of "guerrilla warfare" but with clear anti-government orientation and selective tendencies for "revelations" and "accusations" about the government's "retreats" and "irresponsibilities."

Pointing out that KKE's post-electoral motive is "Change and not Interchange," the resolution adds that:

- a. In the post-electoral period, KKE, not having a program or direction of government policy, resorts to criticism and opposes the government's program, making a conscious distinction between long-term and short-term objectives, and between medium-term and strategic targets.
- b. It systematically isolates the necessary intermediate targets and options which organically fall within a unified PASOK strategy for transition to socialism.
- c. KKE lines up many "musts" but never says when, how and with what forces these can be achieved today.
- d. KKE is an agent of the "everything here and now" logic which, as the PASOK Central Committee resolution states, has some practical meaning since gradual steps are taken only with popular approval.
- e. KKE has chosen as privileged areas for fragmentary and intense criticism the foreign policy (NATO, bases, EEC), the economic policy and the institutional policy (national resistance, syndicalist freedoms, law-frame for education, health, etc.) because with these policies KKE is outflanked and left behind. More specifically:

With regard to the economic policy, the resolution points out that KKE, by ignoring the selenian area of economy, "by nullifying the social character of the public outlays and by ignoring the income, tax-relieving and investment policy," cultivates a sterile "economic system" which sometimes categorizes the working people and sometimes exaggerates the "existing" unemployment.

The resolution points out that the "hit and run" anti-government policy leads with mathematical accuracy to political myopia and the KKE leadership will "miss the boat" shortly.

Taking into consideration the recent KKE election losses in certain massive areas (societies, organizations, etc.), the resolution points out that the relationship between KKE and the popular masses is being put to test and that it appears that a procedure of trust judgement and gradual retraction is in the making.

Finally, the resolution underlines PASOK's will not to keep an attitude of confrontation with KKE and states that on the contrary, in the framework of the National Popular Unity and democratic action, it will keep open the contacts, dialogue and criticism with KKE.



## KKE Statement

The statement of the KKE Central Committee Press Office is as follows:

"The government statement against the DIKO-AKEL agreement is a flagrant intervention in the internal affairs of an independent state and revives the known past interventions of the so-called national center which were so costly to the Cypriot people. The DIKO-AKEL agreement includes positions such as the internationalization of the Cypriot question, the cleansing of Cyprus from juntaist coupists, the opening of the Cyprus file, etc. To which of these positions is the government opposed, or does it agree with the declarations of a non-aligned policy?

"The only ones who have reason to be displeased with this agreement are the Rightists in Greece and Cyprus and the American NATOist imperialists who want to keep the Cyprus question in the NATO framework and to impose accomplished facts. Today's government statement on the Cyprus question precisely reflects the pressures by the imperialists.

"In particular, the government's position on the DIKO agreement with AKEL, the largest party of the Cypriot people, is above all a demonstration against communism."

7520

CSC: 4621/340

## PASOK-AKEL FALLOUT SEEN AFFECTING PASOK-KKE RELATIONS

[Athens BUSINESS & FINANCE in English No 193, 8 May 82 pp 6-7]

[Article by George Ventry-Canning]

[Excerpts]

**P**olitical news livened up last week with two events in the field of foreign affairs perhaps significant, as unexpected as they were.

On the one hand, Libya's Mouamar Qadhafi suddenly cancelled his well-advertised state visit to Athens (April 30-May 3) only 48 hours before he was due to arrive.

**T**he second item of news can be regarded as a little more serious for Greece. It arose out of an agreement announced in Cyprus between President Spiros Kyprianou and the Communist Party of Cyprus, AKEL. This comprised a minimum common political platform, in return for which AKEL undertook to support Kyprianou at the forthcoming presidential elections.

Evidently, this was not to the liking of Mr. Papandreou who, only a few weeks earlier, had been given a public ovation on the island of Cyprus by all political shades of opinion, and took care to symbolise the solidarity of the entire Greek nation for the Cypriot cause as a whole and not solidarity with any particular political trend.

The Greek government inevitably feels that an overt rapprochement between the Cypriot President and the island's Moscow-orientated AKEL Communist Party narrows the scope of possible Greek diplomatic action in favor of Cyprus. There is also ill-concealed malaise at the sight of Kyprianou taking so independent a line so soon after being seen embracing Greece's Prime Minister in Athens and promising the closest understanding and consultation over policies and action.

The effects of Mr. Kyprianou having apparently ignored Mr. Papandreou over an important political move were not long in manifesting themselves in Athens. The official Greek government comment, drew a sharp rejoinder from Greece's Moscow-orientated KKE (Exterior) Communist Party, which promptly came out into the open for the first time in direct confrontation with the new Socialist govern-

ment and accused PASOK of "interference in Cypriot internal affairs." It has to be remembered that KKE had been lending the present government considerable support in and outside of Parliament, not always unqualified, of course, but nevertheless quite significant. In fact there had been some reason to believe that, in certain constituencies, there had also been a degree of electoral cooperation under the joint slogan of "get the right wing out."

**T**his has left a question mark as to what percentage of KKE Party members supplemented the PASOK electoral power at the October 1981 general elections. Now that KKE has denounced PASOK policy with regard to Cyprus because AKEL has been given three portfolios in Kyprianou's re-shuffled government, the KKE period of tolerance of PASOK is, on the surface at least, at an end.

The next question is, therefore, what percentage of PASOK strength belongs to, and may choose this moment to revert to, its KKE origin. Alternately, the question could arise as to the degree of KKE infiltration into the PASOK party machine and how capable is it of disrupting the PASOK administrative framework and its ability to govern. Already it is known that in the autumn municipal elections the KKE does not intend to repeat its October 1981 fairly widespread support of the socialists against the right, but intends to make a show of its own strength. The communists are also manifesting their real strength through the classic medium of the trade union. Ever since the new government took office, the KKE has been able to gain control of several more unions and has also increased its influence in the running of others.

It looks more and more, as the weeks go by, that the tacitly agreed post-election truce in industrial relations is being allowed to lapse. As New Democracy is very weak in the unions at the moment and as PASOK-trade-union leaders are obviously not engaged in undermining their own party, any revival in trade union militancy can be roundly attributed only to communist instigation and influence. In this connection it is interesting to recall that whereas from October 1981 through March 1982 there had been hardly any strike action, from April onward matters have changed noticeably.

## JOINT COMMUNIQUE ISSUED BY PRPA, KKE

Athens RIZOSPASTIS in Greek 20 May 82 p 3

[Text] At the end of the visit to the People's Democratic Republic of Afghanistan by a delegation from the Central Committee of the KKE [Greek Communist Party], the following communique was issued by the PRPA [People's Democratic Party of Afghanistan] and the KKE:

A delegation from the KKE headed by Comrade Roula Koukoulou, who was accompanied by Comrade Kostas Gatsos, member of the party's Central Committee, made a friendly visit to the People's Democratic Republic of Afghanistan from 5 to 15 May 1982.

During this visit the delegation met with Comrade Babrak Karmal, secretary general of the PRPA Central Committee and chairman of the Revolutionary Council of the PRPA. The delegation also met for an exchange of views with members of the political bureau of the PRPA Central Committee. The delegation made many visits to party and social organizations and was able to closely observe the fruits of the April Revolution. During its stay in Afghanistan the KKE delegation visited factories, cultural and educational centers of the People's Democratic Republic of Afghanistan and became acquainted with the life of the Afghan people.

During the meetings between the representatives of the two parties, which took place in an atmosphere of friendly understanding, there was complete agreement of views on the most significant aspects of the present international situation.

The PRPA and the KKE expressed their concern about the warmongering policies of imperialism, led by U.S. imperialism, which aggravate tensions with the cooperation of the Beijing hegemonists. They expressed their support for the responsible and peaceloving policies of the Soviet Union and the other socialist countries. The two parties expressed also their active solidarity with all progressive forces, with all the forces of national and social liberation in the struggle for peace, national independence, progress and lessening of international tension.

Both sides stressed the need to ensure peace and quiet in the Mediterranean region and in the Indian Ocean. They expressed their support for the proposals made by the Soviet Union in connection with these two areas.

The PRPA and the KKE expressed their solidarity with the struggle conducted by the Cypriot people for a just solution to the Cyprus issue on the basis of UN resolutions.

The KKE proclaimed its steadfast solidarity with the people and revolution of Afghanistan and with the PRPA in its just struggle against imperialism, reactionary forces and hegemonism. It also expressed its full support for the constructive and logical proposals set forth by the PRPA aimed at a normalization of the situation and at securing peace and quiet in this region.

The PRPA expressed its support for the significant and responsible role played by the KKE in defense of the rights of workers for national independence, democracy and social progress in Greece.

Both sides expressed their deep interest in the further development of the already existing brotherly ties between them.

Kabul, 12 May 1982

CSO: 4621/363

## PASOK-AKEL CLASH ON CYPRUS SEEN UNAVOIDABLE

Athens I KATHIMERINI in Greek 6 May 82 p 7

[Text] It is certain that the Greek government will exert all its influence to deprive Kyprianou of success in the coming presidential elections in Cyprus. Unless he revokes the agreement which he made with AKEL, the communist party on this large island. But Kyprianou's failure to be re-elected, or the revoking of his agreement with the communists on the policy which should be followed in the future for "resolving" the Cyprus problem, will thwart a very important Soviet aspiration: To have the USSR be elevated into a legitimate--by international standards--agency for shaping Mediterranean affairs!

Moscow will not absolve Papandreou of his responsibility for the failure of its plans. This means that because of the Cyprus problem and the strategies of the current president of Cyprus for securing his own re-election, the attempt which has been made to restore especially good relations between Greece and Russia will be put to a very serious test.

It is not difficult to predict what repercussions this "anti-Soviet" gesture by the PASOK government may have on our domestic political, economic, and social developments. The dogmatic communist party will intensify its attacks--they have begun already--against Papandreou's policy in every sector. It seems that this party is trying to appear particularly menacing in connection with trade-union demands and mobilizations, with the objective being to make the government afraid that the social peace which it needs so much will be seriously disturbed.

But the question is not what threats will be hurled by the Communist Party. Rather, the question is whether the government will be intimidated by these so much as to be compelled to change its position vis-a-vis the Kyprianou-AKEL agreement. Consequently, whether it will be compelled to accept the Soviet plans for Cyprus and the Mediterranean. If it does not back down, relations between the two "collaborators" on the "socialist transformation" will become aggravated to such a degree that this will develop into the main line of conflict within PASOK.

But are there possibilities that the government will give in on the Cyprus issue? Surely not. And the categorical nature of this denial is based not so much on arguments as to the extent of NATO or "European" pressures on the Greek government to refrain from cooperating in changing the make-up of forces on Cyprus and in the Mediterranean, but rather on arguments as to this very refusal by every Greek



government to surrender "of its own accord" the country's capacity as a guarantor power for Greek-Cypriot legitimacy. And arguments as to the equally justified refusal to allow a change in direction on the Cyprus question away from the objective of international unanimity and support in opposition to the invader, and towards making Cyprus an area of active conflict between the great powers and of the expansion of the cold war which they are pursuing.

These would be the undesirable results if the Greek side were to accept the position of the "minimum program" of cooperation between AKEL and Kyprianou. This provides for: Withdrawal of all (hence also Greek) foreign troops from Cyprus; abandonment of the treaty commitments of the past; and an effort to assemble an international conference--with the Soviet Union's participation being essential--to help set in motion the decisions of the United Nations with respect to the Cyprus problem.

Why has the president of Cyprus accepted these positions? Perhaps because he believes that in this way he can achieve also his two objectives: To receive support in the elections from AKEL, while avoiding coming into conflict with the Greek side. This is a rather difficult combination of pursuits.

If the Greek government had not rejected as it did the substance of the agreement between the two Cypriot parties, it would be as if this government were altering its specific policy toward the Cyprus problem, absolutely without having any justification for this change. It did not make sense for such a thing to be done. Not even by the present government, which cannot list consistency as one of its strong points!

Of course, the government's logic does not move the dogmatic Communist Party in the least. By the way, never has it pleaded on behalf of methods for solving the Cyprus problem which are any different from those which the USSR has supported. Why should it do so now?

Consequently, it is unavoidable that there will be an "escalation" of hostile actions between PASOK and the KKE, which had believed that they could cooperate for the success of the "Change" (!). A beguiling prospect!

12114

CSO: 4621/341

POLITICAL

GREECE

TURKISH APOLOGY REGARDING CRUISE SHIP PUBLISHED

Athens TA NEA in Greek 4 May 82 p 14

[Text] The Turkish authorities in Izmir have apologized for the Turkish flak which struck the Greek cruise ship "Stella Solaris" as it was sailing 2 miles from Izmir on the open seas last Thursday.

But it is not yet known whether the issue which this gave rise to will be settled with the apology by the Izmir authorities. Because the Ministry of Foreign Affairs will be studying today the particulars which were forwarded to it from the Ministry of Merchant Marine, and it will make a decision as to whether it will proceed also to the formulation of a diplomatic protest to Ankara.

The Greek cruise ship was struck by three Turkish anti-aircraft shells in all. And although fortunately there were no casualties, the foreign tourists who were enjoying a carefree trip were terrorized when they found themselves being fired on by the Turkish warships.

As was stated yesterday to TA NEA by a representative of the company which owns the "Stella Solaris," this incident is due to the failure on the part of the Izmir harbormaster to issue a "warning to seafarers" so that commercial and tourist ships which were sailing along the coast in this area could avoid the spot where the Turkish naval forces were engaging in exercises.

12114

CSO: 4621/341

## ECONOMY SEEN EXHAUSTING PASOK 'GRACE PERIOD'

Athens I KATHIMERINI in Greek 30 Apr 82 p 5

[Article by Khristos Karanikas]

[Excerpts] The government is passing through the most critical period for it since the elections, as it tries to retain the confidence of the people and to prolong its period of grace. The outcome of the difficult tests this autumn will depend on the treatments it gives to the economic and other problems which the country faces at home. Because immediately after the end of the summer vacation the true trial period for the PASOK government will begin. According to all the indications, the recovery of the economy and the controlling of inflation will prove to be vain hopes, while unemployment is occurring at threatening levels for the first time in 20 years. And on the political plane the government will have the municipal elections to contend with--although with respect to this it probably has more room for maneuvering. The seriousness of the situation has been recognized by Premier A. Papandreou himself: At the last Council of Ministers meeting, he spoke about a dangerous laxity observable in the work of many ministries, and he called for the functioning of the various groups of ministers with related jurisdictions which had been appointed in the initial days of the new government and which since then have been relegated to the Greek calends. It is recognized by the leaders of the government that the difficult battle of next autumn can be won only by making the appropriate preparations, starting now. Otherwise, in a little while it will be too late. Moreover, it is accepted in many quarters that with the exhaustion of the grace period the PASOK government is losing also the psychological factor in the battle over the economy. As a great economist, the premier of course knows the tremendous importance which the psychological factor has for an administration, and it is for this reason that he spoke about a laxity.

The most significant aspect is that by way of the actions of many of the ministers the government is losing its "favorable external evidence." What is beginning to be doubted is not so much its good intent but rather its ability to rise to the occasion and to deal with the critical structural problems which are damaging the Greek economy. For 6 months now, almost all the economic measures which have been taken by the government have turned out to be somewhere between maladroit and inadequate. And in some cases--such as the measures on small and intermediate enterprises, which had been viewed in a positive way--various groups have been careful to obstruct their implementation. This entire situation which has developed is now going beyond accountabilities by the various ministers and is

ascending to the person of the premier himself. To a large degree, people voted for Papandreou, and of course with him PASOK as well, because of his know-how in economics. For the first time Greece would be given, and was given, an economist as premier, who would be able to deal with the most difficult problem which was afflicting the country. In any case, it was because of its failure in the economic sector that the New Democracy Party lost the elections.

Leading circles within PASOK recognize now that the administration's basic shortcoming is to be found in the overall manner of its functioning. In reality, Papandreou has preserved in the administration those forms of operation which the party had as an opposition party, in that everything is centered around himself. This way of thinking, which may not be absolutely in line with the facts, has prevailed among most of the ministers, who are afraid to assume any responsibilities without the approval of the premier, or at least of the party's Political Office. This same mentality is encouraging as well a climate of direct intervention in the work of the administration by people who are a part of the immediate entourage of Mr Papandreou. But since the very nature of governmental responsibility requires also that a number of decisions must be made, many of such decisions are being made independently of and without previous deliberations with the jointly responsible ministers. The result is the various mutually incompatible measures and the overall patchwork-like quality of the picture which the government presents--with a very few exceptions which can be counted on one's fingers.

As an opposition party, PASOK had available to it at that time not only the presence of Papandreou but also the Executive Office, which--as it turns out now--used to play an important role in carrying out the decisions which were made. Nothing analogous exists in the present government. The only thing which has remained is the capacity for taking initiatives on the part of ministers who used to be members of this Executive Office. But an administration is much more than just its premier and the members of its Executive Office. An administration is all the ministers, and each of them is tested on his own performance and on behalf of the others as well. When PASOK was in the opposition, its chairman could screen the mistakes of its officers with his own prominence, but as premier he himself pays for the shortcomings of his ministers. The political repercussions operate in different ways in the two different cases. This is something which perhaps has not been understood thoroughly by the new administration.

#### No Dialogue With the People Concerned

In addition to this centralization, there is also the other side of the economic problem. The government has not yet shown that it has comprehended the basic structural weaknesses of the Greek economy. Its apothegms about a crisis of capitalism are reminiscent of the conjurations by the New Democracy Party concerning an international crisis, and they are not persuasive to anyone. Also not persuasive are the visions about a third or fourth road toward socialism, because the Greek people--fortunately or unfortunately--are not so pious as to be satisfied with visions. They are mature enough politically to demand a different way of speaking, one which is sincere and lucid, before they will make a personal contribution, if this is necessary. Up to now the new government not only has not ensured this active participation by the people in its programs--and in any case it is difficult to see how it could ensure this when there are no programs--but on the contrary it has disillusioned the people with its constant conjuring up of religious visions.

This lack of comprehension by the administration and its reluctance to use a sincere phraseology is apparent also in the timidity shown by the government about taking any bold measures. Thus, we are presented with the paradoxical situation that the government recognizes the seriousness of the crisis but does not dare to take any structural measures to deal with it. Cuts have not been made in the economy, despite the fact that the people expected them from this economist premier. On the contrary, what has been done is to preserve the "vested trade-union rights." The taxi drivers receive their increases as soon as they threaten a strike, and the same is true of the bank employees, the lawyers, and so forth. There are more than a few people who voted for PASOK who now openly admit that nothing has changed from the previous government, that there is the same timidity, the same preserving of the rotten structures of the Greek economy.

Becoming even more harsh is the criticism about the absence of any dialogue. This ostensibly democratic administration, which had featured so prominently its proclamation about democratic dialogue, not only has discussed almost none of its measures with the classes involved, but also has closed many paths of communication with the people. Access to government sources is always restricted, with the usual responses--and not only to the journalists--these being to the effect that "the minister has been deliberating." It seems that the government is deliberating so much that the situation calls to mind the words of the late Georgios Kartalis about the Modern Greeks. Most of the measures, again with few exceptions, have been announced without any previous dialogue with the organizations or classes involved. But also there is no lack of cases where the government has chosen bombshell tactics either in the Chamber of Deputies, in connection with various legislative measures, or outside this chamber. Of course, the results of these tactics are not yet sufficiently manifest, mostly because the grace period has not yet come to an end. But a little later, and especially around the autumn season, there is a possibility that this administration will fail to be persuasive at all. Along with the psychological factor, the administration is in danger of losing also its good credit as it continues its surprise tactics in the imposing of each and every measure. Then, even proper measures may not be persuasive.

Of course, these weaknesses translate into damage, constant and permanent. But today another aspect of our political life seems more clear as well. The administration is not gaining--it is losing--but the opposition is losing even more. The political game is never decided on only one level, but is always played on many levels--something which few of our political figures have understood. One faction gains, and its adversary may either gain or lose. The repercussions are not always the same, and they are staggered variously. Thus, today in our political life we are presented with one of the rarest of phenomena--that of PASOK suffering damage, the New Democracy losing, and the KKE shrinking. That is to say, nobody is gaining.

12114

CSO: 4621/341



## COMPARATIVE ANALYSIS OF PSI, PCI PROGRAMS

Rome L'ESPRESSO in Italian 16 May 82 pp 108-119

[Article by Luciano Cafagna: "Some Points the Same, Others Different"]

[Text] We have examined the recent programs of the two leftist parties. A surprise: They are not as far apart as would appear judging from the ideological disputes. But....

1. What are the differences and similarities between the "Materials and Proposals for a Program of Economic-Social Policy and Guidance of the Economy" of the Communist Party and the Socialist program for "Controlling the Change?" Let us clarify first what these documents are about.

"Materials and Proposals" is a document developed by a working group formed by Gerardo Chiaromonte, head of the economic-social department of the PCI, and it is not yet the party's program. However, the communist leadership has discussed it and decided to disseminate "Materials" for "broad discussion." RINASCITA published it on 18 December 1981 and then communists and noncommunists (in particular, people working in the economy itself) engaged in a discussion of it, either in RINASCITA or L'UNITA. By contrast, the socialist program "Controlling the Change?" is still being completed. A "meeting on the program" was held in Rimini from 31 March to 3 April at which those who are preparing the various parts of the socialist document discussed what kind of proposals they would make.

On the basis of these parts, they will then try to compare the various positions, paying attention to the fact that the communist document is a text with the sermons (and the defects) of the program style (an entirely specialized literary style), whereas the socialists only have oral reports, which by their nature have more eloquence and flexibility, but tend to expound at length on some points but pass over others.

2. Above all, there is a difference in the manner in which the two parties present the substance of their respective analyses. For the communists it is a matter of an "invitation to discuss how to avoid the decline and decadence of a nation, and how to achieve a scientific and technical leap forward, a leap in productivity, and a leap in democracy and democratic participation" (Chiaromonte). However, the socialists do not share this view of a catastrophic-threatening background: in their view, there is a great "change" underway



(a "social change" according to the sociologists, and a number of prestigious names were present at Rimini, such as Alberoni and Gallino) and the danger, if anything, lies in a chaotic process of change without anyone effectively guiding, directing, and correcting. Their proposal, indeed, concerns "controlling the change."

The difference reveals the dissimilarity in the cultural approaches: The communists resort to their traditional approach of presenting the historical situation and themselves--a "set" for which they write a dramatic scenario and then offer themselves as saviors and "deus ex machina." This is the rerun of a formula they used during the Resistance, then the reconstruction, and successively everytime any elements of "historic" importance seemed to be emerging on the Italian political scene, for example, the most recent, the government of national solidarity in the 1970's. There is a mythological emphasis--the party is like Hercules or Theseus entrusted with some great feat to be performed--aimed at creating enthusiasm and mobilizing the people.

By contrast, the socialist approach is more practical: You can work with anything which you see as operating in the society (positively, basically) with the intention of controlling it; it is a matter of deciding how to control it. This manner of dealing with reality also has a tradition: There was the same kind of opportunity--as also in other situations--at the time when the Center-Left was presented and the programming proposed.

However, at this juncture in the road traveled by the two parties, both so loyal to their respective traditional styles, there is one striking fact. It is this: The Communist Party, while adhering to the format of its usual scenario, is basically toning down the self-emphasis and presenting itself in a less supernatural garb: the Socialist Party, on the other hand, although within the context of the very laic attitudes characteristic of it, is emphasizing pride in an indispensable role of its own, emerging from the lessons of the real facts.

3. The range of issues covered by the two parties for the most part coincide, but in some cases do not. The communist document discusses programming, institutional reform and guidance of the economy, education and research, labor policy, social and civic organization, reduction of inflation, priorities for the south, public financing, and policies by sector (energy, industry, small businesses, building industry, transport, trade, and tourism). The socialist reports at Rimini ran more or less in the same vein, though with a smaller commitment under sector policies, probably due only to circumstantial reasons. In any case, in both the communist document and the Rimini reports the most important and substantial portion was the proposals on institutions and relations among social elements. It is on these that we will focus our attention.

4. The most significant difference in formulation is evident in the treatment of problems of institutions and their functioning. To the communists, the problem of government instability is basically and intrinsically a political problem, a matter of marshaling political ranks, which "can only be dealt with in political terms" and not by devices of institutional restructuring (read: but only through formation of a diverse and broader majority which would include the PCI among the governing parties). In consequence, they regard the

institutional issue in a broader sense, proposing a "strategy of state reform" through a process including programming (strongly pushed by the communists) but which "hinges on utilization of the whole network of the electoral assemblies and the communes in Parliament." It is worth pointing out that the communists benefit from the opportunity of representation rather than being in the government, that is, they benefit from the wider institutional area where the opposition is involved. This being the case, they risk coming up with a slow-paced programming process, because their main concern is to involve everyone who should participate, and not leave anyone out, with the result that decisions may not be taken and carried out expeditiously.

Then there is the socialist approach to tackling this crucial issue: They believe in a strategy to reduce the "strength of crises." Therefore, what is central to them is the government and its stability, and guaranteeing through a "constitutional convention" that, with a few "institutional microengineering" adjustments, government by legislature will be possible. Programming is also the main procedural device for the socialists, but for them it is more clearly a government task, since it will be "coordinated" programming ("unlike that in the 1960's"): thus, a relationship primarily between the government and the unions, with many things negotiated and--may we conclude--few projects to be debated at length in parliamentary, regional, or municipal meetings.

5. This difference is rather significant, but it is worth noting that from both sides, while remaining different, there has been some recent narrowing of the differences. For example, the socialists appear to have given up talking about reforming the constitution and the presidential republic, as they had been doing in past months, causing strong concern among the communists. And on their part, the communists are themselves raising the issue of the need for greater effectiveness in government decisionmaking (apart from the government's composition), and reviving in this connection a number of old socialist prescriptions (reduction in the number of ministries and interministerial committees, better use of the council chairmanship, and establishment of a cabinet council).

6. The two parties share the idea of a parliament with a lighter burden and more dignified tasks. However, be careful. While the socialists envisage this lightening of burden as being achieved more through an ability of the executive to issue laws, it does not appear that the communists understand it in the same way. They are thinking of delegating some less important matters, rather than, like the socialists, of authorizing the executive to issue laws.

Thus, we always come up against the difference which we have identified as fundamental: on the one side, the focus is representation, and on the other, the executive. The communists thus ardently envision a single parliamentary assembly, while the socialists reject this, fearing that it might be too aggressive a counterpart to the executive (they propose, instead, that the second chamber specialize in economic-financial control).

7. The socialists are thinking about slight changes in the electoral system, following the strategy of combination of the smaller political groups which, while leaving each one independent, would improve the resulting seat count for the small parties after combination. The communists obviously do not

appear interested in this point. Nor do they appear interested in (though they might not oppose) proposals concerning improvement in the membership of parliament by reserving some seats of a technical-cultural nature in the single national college, which would also include the remainder of each list. Nor are they interested in a new rule for the preference vote which--by limiting the expressible preference to one--would reduce the clientele phenomenon. The communists have no need, for their own purposes, of such devices in order to achieve the same results, given the strong control which democratic centralism provides over choice and electoral behavior.

7. Are there significant differences concerning public administration, the regions, or local bodies? There do not appear to be. Both parties cite the report which Massimo Severo Giannini prepared when he was minister (socialist) for state operation.

8. We should note, however, that while the communists try to define areas of autonomy for important operating units in the public economy sector, such as the Bank of Italy and companies with state participation, the socialists seem to prefer silence on this point.

9. As we have seen, the main differences derive from the PSI's very resolute commitment not only as a party in the government, but as a key party in any future government. Among the communists, however, there still prevail the organizational concerns of a "historical" opposition party, yet one that is increasingly prepared to regard as its own the institutional problems of government.

We should point out, in any case, that these program documents--in the parts containing real commitments--do not go much beyond proposals concerning government procedures. The only significant exception is the "declaration of intent" on the thorny problems of relations with the labor community. This was no accident, obviously, because that is the main factor in the ability to govern. Perhaps it would be pointless to go into greater depth or other issues if that one is not going to be confronted.

#### Views on Labor

Another important and difficult group of issues dealt with in the PCI and PSI programs concern the problems of labor. There are four main topics in this context: employment, cost of labor, economic democracy, and handling of disputes. There are material differences between the positions of the two parties, but these differences appear to be mainly negotiable.

On employment, the PSI and PCI have two parallel though different proposals: a system of regional labor offices, proposed by the socialists; and a national labor service, proposed by the communists. The latter idea is derived rather obviously from the oldest socialist proposal. In both cases, what is proposed are institutions which are to work to obtain a guaranteed minimum income, foster projects which will create useful work, and promote controlled and protected mobility. The socialists say, however, that the management method proposed by the communists is predominantly bureaucratic-syndicalist, whereas the socialist labor office would be on an efficient managerial scale.

Both parties share concern about the negative effects on the economy of an unbridled surge in cost of labor. The communist document states: "Real increases in remuneration must be tied in some way to increases in productivity." Anyone who remembers the polemic against similar statements in the program documents of the 1960's can only rejoice at this late conversion. It is curious to note that the socialists have not come up with this kind of statement, but rather have chosen to stress--and strongly--regulation of trade union disputes. This is not to say that the communists are silent on this point. They refer to limiting "corporate harrassment and irresponsible forms of struggle" in the public services, while calling for urgent regulations; and invite the labor unions to promote, on behalf of the rest of the labor community, an experimental self-regulation which, if necessary, could later be made into law.

On the communist side, the trend is rather to place considerable reliance--in order to achieve a climate of industrial relations more compatible with production requirements--on new institutions of "economic democracy" such as the "factory plan" and the "production conference." By contrast, the socialists seem to prefer the vision of an "industrial democracy" oriented less within the enterprise (perhaps fearing consequences which might paralyze the flexibility necessary for effective business management) and "directed more to the connection between participation in individual plant management and participation in guiding the economy as a whole, that is, in programming." However, the convergence of views is significant: Both parties agree that the "joint management" of the German type is foreign to Italian traditions, but were these traditions, overall and for all--shall we say--very successful?

9920

CSO: 3104/209

## LABOR PARTY ORGAN HAILS DECISION ON START NEGOTIATIONS

LD071551 Oslo ARBEIDERBLADET in Norwegian 3 Jun 82 p 4

[Editorial: "The Big Chance"]

[Text] The decision by the United States and the Soviet Union that the two superpowers will begin talks on strategic nuclear arms reductions in Geneva 29 June is the most positive development in international politics for a long, long time. These talks are the only chance we now have to put a stop to the nuclear arms race and initiate a process which can prevent the total catastrophe to which unrestrained nuclear rearmament would sooner or later lead. The Geneva talks could turn out to be an opportunity without parallel in the history of mankind.

The foundation for the talks which are now about to start builds on two fundamental factors. The one is the NATO dual decision of December 1979. The other is an ever-growing peace movement in Europe and the United States. That President Reagan has now broken with his former views and has gone in for realistic negotiations on nuclear arms reductions in Europe is undoubtedly connected with the public opinion polls which show that 80 percent of U.S. voters think that nuclear arms levels must now be frozen and that it is necessary that negotiations on reductions are now begun.

We are in no doubt that the Soviet Union's willingness to negotiate is connected with the NATO 1979 dual decision. The question of the deployment of new medium-range missiles in NATO nations in Europe arose from the fact that the Soviet Union already deployed its modern SS-20 missiles in our part of the world. Since Norway does not have nuclear arms on its own territory the influence it could have on the question of the modernization of NATO's nuclear arms was limited. Nevertheless, in our opinion Norway and the Nordi government made an important contribution to the disarmament process, on which everyone is now pinning his hopes, when the idea behind the dual decision was formulated and finally accepted by the NATO Council of Ministers. This decision made in Brussels combined the decision to produce new nuclear arms and make them ready for deployment with an offer to the Soviet Union of negotiations on arms control and disarmament. Before a final decision for deployment of the new weapons is made the Brussels agreement states that the issue will be "evaluated in the light of the concrete results achieved through negotiation."



Everyone has a right to regret that it has taken time to get negotiations between the Soviet and U.S. superpowers going. Nevertheless, the most important thing is that these negotiations have now been started. The question now is how we can help to ensure that the negotiations have as favorable a course as possible and end in concrete and positive results.

In the phase in which we now find ourselves we consider that it is of little help to begin a wide-ranging debate on negotiating strategy or a wide-ranging debate on changes in the dual decision. We are supporters of the view that the dual decision should remain unchanged and that this also means preparations for deployment, not [word indistinct] as long as this happens in a way which does not reduce the negotiations' chances of success. We believe that this is a demonstration of strength necessary to make the Soviet Union make its concessions at the negotiating table. And we also believe that it helps to strengthen the Americans' willingness to negotiate.

These questions have been the subject of a wide-ranging debate in ARBEIDERBLADET recently. On the main issue there is broad agreement. Everyone wants to make a maximum contribution to the success of the disarmament negotiations. There is agreement that possible future deployment of the new weapons should not take place automatically, but that the question should be settled after a political evaluation of the negotiations between the superpowers. The disagreement that has been apparent is limited to the question of whether the preparations for deployment should proceed as planned or be broken off now. A relatively strong minority in the Norwegian Labor Party's Storting group (around one-third) take the view that the preparations should be halted now and that this would be seen by the Soviet Union as a positive contribution to the negotiations. At present the majority takes a different view, but is open to the idea of a later evaluation of whether the preparatory work is weakening the negotiation part of the dual decision.

The question of Norway's contribution to the financing of the work being done is not a question to be decided now, but will be raised for assessment in future budget legislation. We do not consider this to be a major issue, and especially not if the dual decision has the intended effect. Then at least it would be a cheap investment in the future of mankind.

CSO: 3108/113



## NORWEGIAN RESEARCHER REVIVES NUCLEAR-FREE ZONE DEBATE

PM041225 Stockholm DAGENS NYHETER in Swedish 29 May 82 p 11

[Article by Harald Hamrin: "Norwegian Researcher in SIPRI Yearbook: Isolated Nuclear-Free Zone Unthinkable"--words in slantlines printed boldface in original]

[Text] A nuclear-free zone in the Nordic area would lead to reduced tensions in this part of Europe. It would also reduce the risk of a superpower conflict elsewhere in the world spreading to the Nordic area.

But, on the other hand, an isolated Nordic zone is hardly practicable. It could probably only come about as an element of a larger package of measures affecting areas outside the zone proper.

With these views Norwegian researcher Sverre Lodgaard has thrown himself into the newly revitalized debate on a Nordic nuclear-free zone. The views are put forward in the yearbook published by SIPRI, the Stockholm International Peace Research Institute, recently and described in Friday's [28 May] DAGENS NYHETER.

The zone issue surfaced again recently after a few months in which it had been conspicuous by its absence from the general debate. A 15 May peace meeting in Goteborg attracted more than 100,000 people under the slogan "For a nuclear-free Nordic area."

But while the "grassroots movement" is advocating a sort of "minimum solution" involving an isolated Nordic zone, Lodgaard leans more toward the view propounded by the Swedish Government and Riksdag, among others.

In the official Swedish view the zone issue should be seen in a broader European context. The same view has also been put forward by official Danish and Norwegian spokesmen.

On the central issue--that a Nordic zone would be a positive element in the endeavors to slow down the arms race and reduce tension in the world--Lodgaard has no doubts. Thus he points out that while it is true that the ground combat forces of the various countries in northern Europe have been "stable

for a number of years," he points out at the same time that there has been a drastic increase in naval and air combat forces within the area.

--Two-thirds of the Soviet Union's shipyard capacity is to be found in its Baltic ports.

--The rapidly expanding Soviet North Sea Fleet is based on the Kola Peninsula.

--Seventy percent of the Soviet Union's submarine-based nuclear armed missiles form part of the North Sea Fleet and can reach targets in North America from the waters of the Barents and Norwegian Seas.

--The United States and NATO have shown growing interest in the North Calotte area. The Barents and Norwegian Seas play a major role in U.S. anti-submarine warfare. Beginning in 1984 the United States is also planning to base so-called cruise missiles on board attack submarines, which in all probability will operate in waters west and north of Norway.

"Northern Europe is therefore an increasingly important /stage/ for international rivalry, even though the area in itself is not a /source/ of super-power conflicts," Lodgaard writes.

For this reason Lodgaard advocates some form of zone arrangement linked to "attenuation arrangements" [uttunningsaatgaerder] in the area around the Nordic area.

"The alternative to such a zone arrangement--or to other forms of arms control for that matter--is not /status quo/ in northern Europe, but a drastic increase in the military capacity in the area," he writes.

So much for the general background to a Nordic zone. As far as the actual requirements for it are concerned, Lodgaard says that there are at least three "elements which must be balanced" against each other.

1. None of the four Nordic countries (Iceland would probably not form part of the zone, at least not to begin with) has nuclear arms today on their territory. But Denmark and Norway have left open the possibility of receiving nuclear arms in the event of war. This "nuclear option in war" must be abandoned by the two countries. This could involve problems for their standing in NATO and for NATO as a whole. This is especially true of Denmark--partly because of the country's role in the defense of the exits from the Baltic, and partly because the country forms part of a special NATO command which also embraces northern Germany (Schleswig-Holstein and Hamburg). From the point of view of military strategy Denmark belongs thus both to the Nordic area and to Central Europe. Danish participation in a Nordic zone would therefore probably require reinforcement of NATO's conventional forces in northern Central Europe.

2. The Soviet Union must give something in "exchange" for the establishment of a nuclear-free zone. Here Lodgaard mentions several possible "confidence-building measures."

--Nuclear arms which because of their deployment or their range could only reach targets within the zone must be removed. This would primarily affect missiles with a range of less than 1,000km based in the Leningrad military district (including the Kola Peninsula). It would also be a positive move if more long-range missiles (10 so-called SS-5 missiles) on the Kola Peninsula were also removed.

--All nuclear-armed submarines in the Baltic should be banned.

--It should also be possible to ban surface ships with nuclear arms. Alternatively it should be possible to ban surface ships with missiles intended for land targets.

--Limitations on or reduction of Soviet nuclear arms in Poland and East Germany would also be a positive step. But this would be complicated by the fact, for example, that these arms (including aircraft) are "organic parts" of Central European war plans.

3. The West--that is, the United States and NATO--must in its turn give something in "exchange."

--The planned deployment of nuclear-armed cruise missiles on board U.S. attack submarines would be a serious threat to the Soviet Union. An agreement would probably have to be reached about these submarines' patrol areas, so that the missiles can for the most part be expected not to fly over the Nordic region on their way to the Soviet Union. And since without on-the-spot inspection it is impossible to distinguish nuclear armed cruise missiles from cruise missiles with conventional warheads such an agreement would probably have to cover /all/ types of cruise missiles.

--In Denmark and Norway there are today two and eight so-called COB's (collocated operating bases respectively, that is, bases which are already equipped in peacetime to receive nuclear arms). Existing COB agreements with the United States must be terminated or revised.

--"Nuclear arms" and "nuclear war" are concepts with many meanings, including the warheads themselves. But they also include other types of "systems": for example, Norwegian-owned and U.S. and British Orion and Nimrod aircraft which fly over the Norwegian and Barents Seas, and also listening devices (important elements in anti-submarine warfare); also television and radio stations for jamming, tracking and monitoring the other side's military activities. Here according to Lodgaard "unilateral" western undertakings could be possible--for example, that Norwegian-based anti-submarine activities be limited to the sea areas west of 24 degrees east (today Norwegian Orion aircraft fly all the way to 45 degrees east, that is, practically to Novaya Zemlya).

Lodgaard also discusses a number of other necessary or desirable elements in a "zone package." But the sum of his arguments is that the zone agreement covering the four Nordic nations must be complemented by a number of other agreements to make it appetizing for the two superpowers and the two military alliances.

This in its turn means that the discussion of a Nordic zone cannot be pursued in isolation from the broader European context, such as the U.S.-Soviet Geneva negotiations on medium-range nuclear arms.

CSO: 3109/176

## AD, PS COOPERATE TO IMPLEMENT CONSTITUTIONAL REVISION

Lisbon EXPRESSO in Portuguese 1 May 82 p 5

[Article by Pedro d'Anunciacao: "PS and AD Agree To Share Dual Responsibility"]

[Text] At the summit meeting held day before yesterday and attended by the leaders of the PSD [Social Democratic Party], CDS [Social Democratic Center Party] and PS [Socialist Party], agreement was reached on the most controversial questions contained in the constitutional revision--government system, constitutional tribunal and transitory dispositions (in this last aspect, doubts were raised with regard to the implementation of the new constitutional precepts).

Meanwhile, the participants at the meeting (members of the three parties which negotiated the revision) agreed not to reveal the terms of the agreement inasmuch as the respective party organizations did not express themselves on the subject. In fact, there is a strong feeling that any publicity on these subjects will cast doubt on the understandings reached. For example, a PSD source expressed to us the option that a certain consensus reached last week on eliminating the article which calls for dual responsibility in the government was definitely affected by having been revealed.

In any case, a socialist informant assured us that the PS is essentially maintaining the positions it took about the revision, particularly on the question of dual responsibility, and that his party was not backing out on anything. This observation leads to the conclusion that Mario Soares has shown himself to be more open with regard to the makeup of the constitutional tribunal. It should be noted that the point regarding transitory dispositions was not particularly controversial. Here it was just a matter of obtaining information.

The same informant pointed out that the fact that Francisco Balsemao asserted at the end of the meeting that this was not the constitutional revision the AD [Democratic Alliance] wanted to make can only mean that the principal concessions came from the majority and that the PS is the true instigator of the entire process.

In reality, the AD itself will now be interested in not emerging in the eyes of public opinion as the drafter of the revision. Fearing that the Right may begin to attack the new constitution, the government majority prefers to appear defeated and have the period during which it made the constitutional revision its big calling card be forgotten. However, since it is participating in the process and is interested in it, it cannot sharply denounce it. This was the position which won out within the last PSD National Council and, so far as we know, is the one prevailing within the CDS.

With regard to another matter, according to what we have learned, day before yesterday Soares remained firm on the economic part and maintenance of socialism in Article 2. A high-level AD source even told us that these questions had to be resolved without PS concessions.

#### Timing

The timing of the final part of the revision process was also discussed at the meeting of the three political leaders. And, at this point, it was decided that, if the party organizations did not object (and it is hardly probable that they will oppose a decision made by their highest leaders), the revision proposal subscribed to by the PS and AD could go to the plenary session on Monday, 11 May. However, due to the pope's visit, the discussion is to be postponed and will not begin until a week later, on 18 May. Thus, the revision will be completed in June in the optimistic assumption of the PS, or in July, as the AD leaders prudently think.

The discussion at the plenary session might suffer setbacks and delays if the PCP decides to drag its feet. Meanwhile, at a meeting of the Parliamentary Committee, the communists have allegedly shown their intention of rushing the discussion, expressing themselves with short and limited speeches.

But a specific set of norms should be drawn up for discussion of the revision. Discussion of these norms is to begin next Tuesday by a special committee of the Assembly of the Republic.

Meanwhile, to avoid having the Assembly of the Republic spend much of its time exclusively on the constitutional revision, the deputies of the parliamentary majority will propose that the plenary session devote 3 days per week to this matter and hold a fourth weekly session for the discussion of other subjects.

#### Opposition to the Law of Autarchies

Meanwhile, on Thursday, approval was given to an electoral bill relating to autarchies, with the opposition voting unanimously against it. The most controversial and contested points are permission to vote by correspondence, a ban on political propaganda less than 100 meters from polling booths and, finally, the requirement that the symbols of coalition include the symbols of the parties which make up those coalitions.



As for the first question, it was argued that voting by correspondence--according to the terms in which that measure is being proposed--does not provide for adequate control of the vote. With regard to political propaganda near the polling booths, it was asserted that the new law will create, especially in large localities, an excessive number of new perimeters in which that same propaganda is forbidden.

The question of symbols is basically political and is aimed at forcing the APU [United People Alliance] to change its symbol. Therefore, it was harshly criticized by the PCP and the MDP/CDE [Portuguese Democratic Movement/Democratic Electoral Commission].

It should be noted that Angelo Correia, present at the discussion, declared himself open to suggestions by the opposition during the presentation of the diploma in his specialty. However, it was not clear that any concession would be made on the three points in question.

Yesterday, a question which was expected to be more controversial, that of establishing the Council of Vizela, ended up being postponed after several requests for interruption.

The plan to establish this council was initiated by the PPM [Popular Monarchist Party] to try to resolve the disagreement among the PSD, CDS and PS. In the opinion of the PS, this is a particularly delicate question, since the socialists were the majority in Vizela. And the people of that locality--as EXPRESSO advised last week--are determined to react very badly (they even threatened to boycott future elections in that locality), if the council is not established.

8568

CSO: 3101/41

## SOVIET MILITARY ORGAN HITS SWEDISH COOPERATION WITH NATO

Stockholm DAGENS NYHETER in Swedish 15 May 82 p 5

[Article by Thomas Olander]

[Text] Moscow, Friday, 14 May 82--Once again the Soviet Union has bitterly attacked the defense and security policy of Sweden, Norway, and Denmark.

The army newspaper KRASNAYA ZVEZDA (RED STAR) published a long article in which the author, D. Erishov, harshly criticized recent security policy decisions by these three countries.

At the same time, he accused them of "allowing themselves to be drawn into the military plans of the United States" more and more.

The author of the article wrote that recent defense policies were "viewed by the public as a deviation from the previous policies of these nations."

KRASNAYA ZVEZDA stated that the three Nordic countries had been "drawn into the aggressive plans of NATO" more and more and added that "the Nordic countries have been given a significant role in these aggressive plans."

"The construction of new bases for NATO troops in Denmark and Norway and the military and political pressure on the parliaments and governments of these countries is viewed as a change in the previous policies, a loss of independence, and a more complete subservience to the dictates of NATO," the paper said among other things.

The newspaper said that even Sweden was being subjected to pressure from Washington.

KRASNAYA ZVEZDA mentioned the recently completed NATO maneuvers in Norway and the simultaneous Swedish Operation Northern Lights involving 23,000 men and 140 planes.

"Was it merely a coincidence that this maneuver took place at the same time as the NATO maneuvers across the border?" KRASNAYA ZVEZDA asked. The newspaper also maintained that Swedish officers were being trained by NATO and revived the

old argument that the United States would deliver Sidewinder missiles to the Swedish Air Force as well as equipment for the new Swedish JAS attack plane.

The author had a similar view of American Secretary of Defense Caspar Weinberger's visit to Sweden and said he had enjoyed a warm reception and become acquainted with several secret military facilities, including the Musko Naval Base.

#### Old Criticism

The criticism and arguments in KRASNAYA ZVEZDA are not new in substance. They have appeared previously in various forms in the Soviet press. The attack in the army newspaper is one of the strongest in recent times, however.

Sweden has not been criticized in recent months, however, after the relatively short press campaign during the winter months.

The criticism of Sweden is not new, but the tone is more bitter than before and it comes as a mild surprise when the aftermath of the submarine affair seemed to have died down.

9336

CSO: 3109/159

GOVERNMENT OFFICIAL REJECTS SOVIET CHARGES ON NATO AID

Stockholm DAGENS NYHETER in Swedish 15 May 82 p 5

[Article: "Sweden Rejects Criticism"]

[Text] Soviet criticism is falling on deaf ears in Sweden. Under Secretary of Defense Sven Hirdman rejected the Soviet assertions in a radio interview on Friday.

"It is simply a lie to say that there was some connection between our maneuvers and those in Norway. There is no such connection. Our maneuvers had been planned for 2.5 years to test our system of preparedness."

"Our defense system exists to defend us against any threat. We are counting neither on NATO nor on the Soviet Union. We are counting on ourselves," Hirdman said.

9336

CSO: 3109/159

## MODERATE MP CARL BILDT: SOVIETS INCREASING BALTIC N-SUBS

Stockholm DAGENS NYHETER in Swedish 15 May 82 p 5

[Article by Sven Svensson]

[Text] The Soviet Union has stationed a number of submarines in the Baltic Sea that probably are equipped with nuclear warheads.

This was indicated by Conservative Party member of parliament Carl Bildt.

According to Bildt, the Soviet Baltic Fleet was recently provided with submarines in the so-called Juliett class which are equipped with cruise missiles. It is highly probable that these long-range cruise missiles are equipped with nuclear warheads, according to Bildt.

The Juliett submarines date back to the 1960's and, thus, are not ultramodern.

Previously, the submarines patrolled the Mediterranean Sea to observe various NATO ships.

Reports on how many Juliett submarines there are in the Baltic Sea vary. According to one report, there are at least four submarines.

In 1977 the Russian Baltic Fleet received so-called Gulf submarines with medium-range ballistic missiles. At that time, the Swedish government expressed the hope that this was not the beginning of more extensive utilization of the Baltic Sea as a base for ships equipped with nuclear weapons.

It is now believed that there are at least six Gulf submarines in the Baltic Sea and that one of these is out on patrol at all times.

The grounding of submarine 137 in the Blekinge Archipelago in the fall of 1982 showed that the older submarines of the so-called Whiskey class also are equipped with nuclear weapons.

Now it has been discovered that Juliett submarines are stationed in the Baltic Sea and equipped with nuclear weapons.

## PEACE RESEARCH INSTITUTE BACKS BREZHNEV DISARMAMENT PLAN

Stockholm DAGENS NYHETER in Swedish 28 May 82 p 17

[Article by Harald Hamrin]

[Text] The arms buildup continues throughout the world at an undiminished or even accelerated rate, despite economic crises in both East and West. No progress has been made in attempts to control the arms race.

These are the gloomy conclusions presented in the annual report published by SIPRI (Stockholm International Peace Research Institute) last Thursday.

"This is not a pleasant book to read," said SIPRI director Frank Blackaby at a press conference in Solna near Stockholm.

The United States is in its worst economic crisis since World War II. Countries in Western Europe, Eastern Europe, and the Third World also are struggling with serious economic problems.

Nevertheless, during the past 4 years military expenditures throughout the world have increased more than during the previous 4-year period, SIPRI concluded. During 1981 alone the countries of the world poured an estimated 650 billion dollars (about 3.5 trillion Swedish kronor) into arms.

## Soviet Union

At present the Soviet Union manufactures a greater number of conventional weapons within certain areas than the United States, although the United States still holds a certain technological lead.

On the other hand, the United States has begun a large-scale arms buildup program with plans for an 8-percent increase in military expenditures during each of the next 5 years.

In other sections of the world--especially in the Third World--military expenditures are increasing dramatically. Brasil and Argentina, for example, are constructing considerable domestic arms industries.



The only bright point in the picture comes from China, which decided last year to reduce its military expenditures by 13 percent.

#### Arms Trade

The international arms trade also is increasing dramatically. During the past decade the arms trade increased by 300 percent, while international trade in general increased by only 70 percent during the same period.

Today, the Soviet Union is responsible for much of this increase in arms sales. Thus, from 1979 to 1981 the Soviet Union overtook the United States and became the top weapons dealer in the world.

This is due in part to the restrictions on weapons exports introduced by President Carter during his term as president of the United States. These restrictions have been eliminated by President Reagan, however, and a dramatic increase in American weapons exports may be expected.

The picture presented in SIPRI's annual report reveals a more and more militarized world. The militarization now extends farther and farther into outer space. Both the United States and the Soviet Union are working more and more openly on space weapons capable of destroying the nuclear missiles and satellites of the other side.

For the first time in 12 years the United States also has entered the chemical weapons race. Thus, the United States has decided to build a factory for the production of so-called binary nerve gas.

Also in the realm of more "traditional" weapons systems--both conventional and nuclear--the race continues with newer and more advanced aircraft, missiles, and tanks.

"When we look on the other side of the coin and ask ourselves what progress was made in 1981 with regard to arms control and disarmament, the answer is short," Frank Blackaby said at the press conference on Thursday. "There has been no progress."

The SIPRI director could point to one positive development: international opinion in favor of peace and against the arms race and nuclear weapons in many countries. He said that this opinion could play an important role in the future.

#### SIPRI Supports Brezhnev

An East-West agreement on nuclear weapons in Europe could be based to a considerable degree on the proposal previously presented by the Soviet Union. This agreement would mean that NATO would give up its 1979 plan for modernization, while the Soviet Union would be permitted to keep the SS-20 missiles at the present level.

This is the gist of a recommendation presented by SIPRI, the international peace research institute outside Stockholm, in its annual report which was presented to the press on Thursday.

This proposal thrusts SIPRI into the heated debate that has been raging for several years in Europe and between Moscow and Washington over the so-called Eurostrategic weapons. Since late 1981 these weapons also have been the subject of direct negotiations between the United States and the Soviet Union in Geneva.

Within the Western European antinuclear movement, the SIPRI proposal may be expected to give a new impetus to protests against NATO's decision of December 1979 to deploy about 600 new missiles in Western Europe beginning in late 1983.

NATO's so-called modernization plan includes 108 Pershing 2 missiles and 464 cruise missiles. All of these could reach not only Eastern Europe but also the Soviet Union from bases in Western Europe.

#### Criticism.

At the same time, SIPRI probably can expect harsh criticism for its proposal from politicians and researchers in the United States and Western Europe who believe that in recent years SIPRI, in various publications and proposals, has assumed a position too close to that of the Soviet Union.

"If our opinion is close to that of the Soviet Union, we cannot help it," SIPRI director Frank Blackaby told DAGENS NYHETER.

Blackaby admitted that the controversial proposal had been discussed extensively within the SIPRI research group before the decision was made to publish it in the annual report.

#### Freeze

"But we cannot put us in a position where we worry about criticizing one side more than the other," he said. "In that case, we would become nothing more than a PR organization that said only what a certain group wanted to hear."

In connection with the Geneva conferences on the so-called Eurostrategic weapons, the Soviet Union has proposed a freeze at approximately the present level of modern SS-20 missiles and a certain reduction in the number of older missiles. In return, NATO would abandon its modernization plan. The "independent" French and British nuclear weapons would not be affected.

The United States, on the other hand, has proposed a so-called zero solution, according to which the Soviet Union would scrap all its middle-distance missiles, in return for which the United States would not deploy the approximately 600 new missiles. The French and British nuclear weapons are not mentioned in the American proposal.

The SIPRI proposal is presented by Frank Blackaby in the introduction to the annual report and is developed in more detail in a special chapter written by the Norwegian researcher Sverre Lodgaard. The main points of the proposal are as follows:

The Soviet Union would scrap all its older SS-4 and SS-5 missiles. The newer--and in many respects more effective--SS-20 missiles would be frozen at their 1981 level, i.e. 250. Since some of these are based in the eastern regions of the Soviet Union, about 175 missiles would remain that could reach Western Europe.

The United States and NATO would refrain totally from deploying new American nuclear weapons in Western Europe.

Great Britain and France would be permitted to retain their present middle-distance missiles--a total of 162 land and submarine based missiles.

Western and Eastern aircraft equipped with nuclear weapons are not mentioned in the proposal.

Scrapped

The SIPRI proposal differs from the Soviet proposal in that SIPRI would scrap all older missiles, not just a portion of them. It differs from the American standpoint, among other things, in that it also deals with the British and French nuclear weapons.

The net result is that "East" and "West" would be permitted to retain approximately the same number of missiles aimed at targets in Europe--175 and 162, respectively.

The permitted number of nuclear warheads, on the other hand, would be greater on the Soviet side than on the Western side. The Soviet SS-20 missiles are also considerably more accurate than the French and British missiles.

The essence of Blackaby's and Lodgaard's line of reasoning is that it is unreasonable, as is the practice in the the United States, not to include the British and French nuclear weapons in Western Europe and the Chinese nuclear weapons in the overall calculations. On this point they are extremely critical of President Reagan.

"This is a rather extreme point of view, since it seems to assume that the Soviet Union has no regional security needs with respect to the other three nuclear powers on the Eurasian continent," Lodgaard writes.

Elsewhere he describes as "far-fetched" the American standpoint that the approximately 75 SS-20 missiles aimed exclusively at targets in China must be included in the European formula.

The Americans and Western Europeans, on the other hand, point out that these

missiles are mobile and may be transferred relatively easily so that they could reach targets in Western Europe.

Nothing New

On other points, however, Blackaby and Lodgaard are critical of both the Soviet Union and the United States and NATO.

Thus, Lodgaard stated that the introduction of the new SS-20 missiles beginning in 1976 was nothing radically new in the military arena and that talk in the West about a "serious new threat" from the Soviet Union was "incorrect." However, he accused the Soviet Union of committing a "serious mistake" in the political arena by ignoring the political consequences of manufacturing the new missiles.

9336

CSO: 3109/171

## VPK ISSUES TWELVE POINT PROGRAM FOR COOPERATION WITH SDP

Stockholm DAGENS NYHETER in Swedish 28 May 82 p 6

[Article by Dick Ljungberg]

[Text] A leftist victory in the fall elections must lead to a radical change in policies. A labor majority in parliament should not seek cooperation with the nonsocialists, according to the Left Party Communists (VPK).

On Thursday the party presented a 12-point program stating what the Social Democrats and VPK could agree on doing during the first 100 days after a leftist victory.

VPK is not hoping for direct negotiations with the leadership of the Social Democratic Party.

"We are presenting this program to stimulate the discussion within the entire labor movement on what should result from a leftist victory," VPK leader Lars Werner said at a press conference on Thursday.

"We would like to say that the more representatives VPK has in parliament after the election, the greater the chances will be of implementing this program."

VPK believes that after the years of nonsocialist belt-tightening, the labor movement is looking forward to radical new policies. VPK has perceived disturbing signals from the Social Democrats concerning cooperation with non-socialist parties after the elections.

#### Radical Policies

The tax agreement between the government and the Social Democrats is one example. Another is the talk that a Social Democratic government after the elections would seek cooperation with the nonsocialists and with business over employee funds.

"Instead, let us use a common majority in parliament for radical labor policies directed against big business and its nonsocialist political representatives," VPK said.

VPK's program for steps to be taken during the first 100 days includes several points already supported by the Social Democrats. These include reintroducing cost-of-living adjustments for pensions, opposing qualifying days for sick benefits, abolishing mutual fund savings, and increasing the construction of daycare facilities.

Werner was asked if the Social Democrats could tear up their tax agreement as demanded by VPK.

"Gunnar Nilsson, among others, has stated that if wage agreements do not give the greatest increases to low-income earners, then the tax reform must be reevaluated," Werner answered. "And it is an illusion to believe that high-income earners will show restraint."

#### 20 Billion

Other demands in the 12-point program include: a program for 100,000 new jobs, a 10-year program for implementing the 6-hour day, a rent freeze in 1983, the elimination of sales tax on stable foods, a new collective labor law, and rejection of the JAS airplane.

VPK has estimated the cost of implementing the program at about 20 billion for 1 year. Proposed means of financing the program include an extra, progressive payroll tax, measures against economic crime and tax evasion, reduced appropriations for defense, sales tax on the sale of stocks, the collection of excess profits from hydroelectric power, and collection of the 10 billion kronor presently owed in the form of unpaid taxes and fees.

Lars Werner, who believes that VPK will receive 5 to 6 percent of the vote, was asked if the employee funds would attract voters to the left in the election.

"If the funds are established only to provide private industry with more capital, I do not think so. If, on the other hand, we follow Meidner's concept and establish the funds to change the power and ownership relationships in Sweden, I believe they will attract many working voters," Lars Werner said.

9336

CSO: 3109/171



## OZYORUK ASSAYS CURRENT BUREAUCRATIC SNAFUS

Istanbul TERCUMAN in Turkish 19 Apr 82 p 6

["Your Decision" column by Mukbil Ozyoruk: "Intervention Regimes and Bureaucracy"]

[Text] Complaints about bureaucracy have been more common recently in newspaper columns. The issue was even brought before the Consultative Assembly by Kirklareli Member Muzaffer Ender.

Citizens are not displeased with the current regime headed by the National Security Council. On the contrary, they heartily support the 12 September [1980] movement; they waited for and wanted this movement. I have not yet met anybody who would contest this view even discreetly. In the "free political debate and conflict" period that will come in the future, there will, perhaps, be people who will look back at 12 September and level some type of criticism over certain issues. But those who respond to them will, "looking back," find plenty of "evidence and claims to silence them." This must be understood very well.

The citizen has sincere faith in the schedules and programs promised by the 12 September movement. This faith and trust grows stronger as these schedules and programs are realized step by step.

But the citizen who has established an ongoing reasonable, realistic and friendly dialog at a mental and emotional level with the "high-level administration" of 12 September has fundamental and continuing complaints about the bureaucracy. What is seen in the press does not convey the whole picture, nor does it reflect the "true gravity" of the situation. It would be appropriate to say that as a result of the citizen's loyalty to, support for and friendliness toward the high-level administration, the citizen "saves" most of his complaints against the bureaucracy. The citizen knows that patience will be interpreted as "being helpful" toward the high-level administration and will actually be helpful. So, he does not always utter all his problems.

In the past 22 years, our bureaucracy has encountered three major "interventions" in addition to several "radical" changes of government. On each occasion, the bureaucracy has returned to doing what it has always done after "expediently" overcoming all the great dangers "it has justifiably perceived may arise" and the dark possibilities that have pervaded its nightmares. In fact, our

bureaucracy has managed to go beyond "having its own way": It has been able to use the "undebatable authority" of authoritarian periods within the framework of its bureaucratic interpretations. Some bureaucratic personnel who are "politicized" to the marrow of their bones now have "invaluable experience" in using the "undebatable authority" of extraordinary periods in their own way. In such periods, a "politicized bureaucracy" is very adept in causing suffering to the citizenry in order to preserve its own position and the bureaucratic methods it has always used to save itself the trouble of performing its functions and in order "to appear effective in the eyes of the new administration." In such periods, it is the custom "to transfer the burden onto the back of the citizen" when the extra effort and work expected from bureaucracy and the "successes ordered from above" become impossible to deliver as a result of the obsolescence, counterproductivity and "politicization" that has become established, institutionalized and "imbued in the structure of bureaucracy." The citizen, meanwhile, maintains his respect and affection toward the high-level administration that has saved the country from assorted calamities.

Since I have not had any links or problems with bureaucracy except as a simple citizen, I am not in a position to convey "big complaints." But permit me to express, in the "name of justice," some "small complaints" that have been troubling me for some time:

1) In what corner of the world has one seen the rejection of a country's money --a state's "official and legal" medium of exchange--as a form of payment on a public transit vehicle? How can there be a place where the government's money is "unacceptable"? In our country, cash money is not accepted on buses, for example, and the citizen is forced to buy "coupons," that is "municipal money," at bus stations for administrative expediency. If he cannot find the coupons or has no time to buy them, the citizen is forced off public transit vehicles with government-issued money in his hand. This is happening because bureaucracy has itself in mind and not the citizen.

2) The State Monopolies Administration seems to have piled up a "modish cigarette" made in the Balkans and called "Bulgarian Samsun." Apparently, there is some plastic in the cigarette's paper; so nobody buys it. But the State Monopolies Administration is forcing all cigarette stands to buy these cigarettes by the carton and is refusing to sell other State Monopolies products to those who refuse to buy them. You can go to grocery shops and sandwich stands and see hundreds of cartons of "Bulgarian Samsun" piled up unsold in one corner. Can nobody think about lowering the price of this cigarette to encourage people to buy it or even exporting it abroad?

9588

CSO: 4654/302

## ILICAK EYES FREEDOM UNDER MILITARY TUTELAGE

Istanbul TERCUMAN in Turkish 19 Apr 82 pp 1,14

[Article by Nazli Ilicak: "Democracy, Freedom, Army"]

[Text] We can summarize Head of State Kenan Evren's Balikesir speech in two main points:

- 1) Sovereignty belongs unconditionally to the nation. Despite its shortcomings democracy is still the best type of government.
- 2) Democracy does not mean a state of unlimited freedom.

Starting from these two basic tenets, one can make certain predictions about the future. Since sovereignty belongs unconditionally to the nation, the Grand National Assembly shall not be overruled by any power that is decoupled from the national will. This puts to rest rumors to the effect that the new Constitution will provide for an Advisory Council which will coexist with the Assembly. Even if such a body is set up, it will only have an advisory capacity and will not have any influence over the finalization of decisions.

#### Limits of Freedom

Evren rightly broached the issue of limits of freedom. Because democracy is a system of equilibrium which hangs between authority and total freedom. Unlimited freedom leads to anarchy. The misuse of authority, on the other hand, leads to dictatorship. What is important is to maintain the equilibrium by holding the scales of authority and rights and freedom even.

Individuals can benefit from rights and freedom only within an orderly society whose rules function properly. Ataturk was pointing to the limits of freedom when he said: "One man's right is another man's duty. Human society can be thought as a fabric woven with fibers of rights and duties." The preservation of these limits is the task of the state. A state with weakened authority constitutes the basis of a disorderly system where laws are not enforced and freedoms are misused.

It appears that the new Constitution will be a document which will specify in detail the limits of freedom. Instead of stating that freedom of thought can be

restricted in a single article, the new Constitution will reiterate this issue in several important articles. Particularly, in arrangements concerning societies and professional organizations, legislative as well as constitutional limits will be specified.

This means that the new Constitution will draw up undebatable boundaries around rights and freedoms and institute measures which will save the government from the confusion of coalitions and give it the proper amount of authority. Primary among these measures will be the amendment of the electoral system such that one of two large parties will have a majority in the Assembly.

#### Old and New Constitution

The 1961 Constitution emphasized the idea of "preventing the oppression of the minority." Because the majority-based electoral system existing before 1960 rendered the minority party in parliament totally ineffective and concentrated all the power in the hands of the majority party.

The problems existing before 12 September 1980 were entirely different: Partners brought to the government by the national will misused their powers and obstructed the execution of the will of the majority; small parties gained dominance in parliament; and professional organizations made it a habit to violate laws. What is at issue today is not the protection of the rights of the minority but the preparation of a basis which will permit the execution of the will of the majority and prevent damage to the state and its authority.

#### Preservation and Protection of the Republic

Apart from these two important and related issues--namely, democracy and limits of freedom--Head of State Evren's speech touched upon another important point concerning the future: The Turkish Armed Forces will continue to preserve and protect the Republic. On this issue, Evren said: "Do not forget that there are other forces that can protect this country. Naturally, those forces will always stand guardian for this country. The forces who, to this day, have not permitted the trampling of these ancestral lands will not permit that to happen in the future."

In a recent interview with our colleague Yavuz Donat, Constitutional Commission Chairman Aldikacti said on this issue that military intervention is an unwritten clause of the Constitution.

These statements are oral confirmations of a de facto situation. In the future, whenever we reach a point where the integrity of the fatherland is threatened and anarchy assumes mind boggling proportions, "the forces that will protect the country and stand guardian for the nation" will take over.

To recap briefly:

- 1) Democracy will be established in Turkey.
- 2) The limits of freedom will carefully be drawn up.
- 3) In the event the state is damaged, the principle of preserving and protecting the Republic will become operative.

## DEFENSE FORCES LEADERSHIP CHANGE MAY BRING NEW DOCTRINES

Helsinki SUOMEN KUVALEHTI in Finnish 30 Apr 82 pp 74-75

[Article by Risto Lindstedt: "Review of Commanders in Progress, Generals in Line"]

[Text] The commander of the defense forces will change next year. The candidates for this post have been classified into two groups.

Lauri Sutela's most probable successor, Jaakko Valtanen, is in a class all by himself.

Jan Klenberg and Aimo Pajunen as well as an innumerable number of yet unknown generals are ready for the second round.

It is peaceful in the General Staff. The game seems to be clear and the final result satisfactory. No opinions much less conflicts are expressed in discussions over coffee. The only opinions are about the order of events: will Jaakko Valtanen now be appointed as Chief of the General Staff in the spring and then be appointed commander after a year or will he be transferred directly into this post from his position as commander of the Etela-Suomi [Southern Finland] Military District.

The commander of the defense forces plays a significant role in the accomplishment of a security policy. He is the holder of military authority directly under the president and, if necessary, he can turn directly to the president without a political intermediary.

In addition to the emphasis placed on security policy questions, the position of the commander is also emphasized from before. It is not just a question of mastering professional skills, but to an even greater degree it is also a question of the individual and the person in whom the credibility of the whole army is culminated.

One of Lauri Sutela's strongest points is considered to be an augmentation of this very evaluation. He sought the trust of the president in a manner for which there is no precedent in Finland's postwar history.

As far as the makers of security policy are concerned there are now two new personalities, who are not, however, unknown to one another.

Mauno Koivisto was chairman of the Defense Council for a long time when he was prime minister and Valtanen was its chief secretary.

#### Rough Edges Smoothed Out

The Etela-Suomi Military District is number one with respect to leadership value. Its area encompasses one-third of the population and one-third of Finland's industry. Valtanen was appointed commander of the district in 1981. Even in public the question was raised as to whether the transfer from the position of Chief of the General Staff to a military district was connected with changes occurring in the evaluation of the individual.

In the army it is dangerous to emphasize good and close personal relations.

Very little is known about Sutela's "chums". However, it is known that he places much value on Valtanen and Jan Klenberg.

Valtanen has also had bad experiences from emphasis placed on such relations. He involuntarily received the label of being pushy when Commander Yrjo Keinonen in a certain joint discussion praised Colonel Valtanen and announced that this man has what it takes to get ahead.

The shadows of this praise hung over Valtanen even as late as 1978 when he succeeded Kanninen as Chief of the General Staff. He did not have any actual "General Staff experience" and the attitude toward him was one of suspicion and cautiousness. This was a difficult situation for Valtanen, but his adjustment was surprisingly quick.

The general who enjoys music is known as a stubborn type even though those who have been the object of his anger admit that the man also knows how to listen. However, changing his convictions and opinions is exceptionally difficult and requires good arguments.

Valtanen has had two jobs in which he has had exceptionally good opportunities for gaining the respect of society. For 2 years he was chief of the information section, during which he established a new kind of thinking in the defense forces with respect to information and public relations. However, his most significant achievement was a 4-year term as director of the National Defense School.

Valtanen, who was born in 1925 in Hameenlinna as the son of a colonel, was the youngest and highest-ranking student at the Military College. He has been, among other things, an adjutant for Commander Simelius, commander of the Coastal Light Infantry Battalion, chief of the information section, director of the National Defense School, chief of the general staff of the Etela-Suomi Military District, Chief of the General Staff, and presently commander of the ESSL [Etela-Suomi Military District].



## Games With Retirement Age

When Yrjo Keinonen's term was interrupted in 1969, the defense forces were in a state of shock. Kaarlo Leinonen, who became an interim commander, calmed and pacified the convalescent for 4 years. Even from the very beginning Leinonen was not interested in becoming the commander. In consenting to be the commander he requested retirement at the age of 60. The retirement age for commanders was lowered by 5 years.

The games played with the retirement age have continued to have their effect even on future decisions.

Lauri Sutela was able to begin in 1964 with a clean slate. He was not a politically controversial individual and with diplomatic discipline he also enjoyed the trust of his own personnel. However, his term as commander threatened to be short, only 4 years.

Sutela was in office 2 years when the retirement age for a commander was revised again. It was once again restored to 65.

This matter was taken care of in the last proposal of Keijo Liinamaa's interim government with a very few votes. The change in the retirement age was not discussed in the government and the issue was not even mentioned in a separate agenda.

The solution was interpreted to be a joint decision made by President Kekkonen, Defense Minister Erkki Huurtamo, and Sutela.

This decision precluded any chances of promoting to the position of commander Chief of General Staff Ermei Kanninen, Commander Urpo Levonen of Lounais-Suomi [Southwest Finland] Military District, and Ensio Siilasvuo, the chief coordinator of UN troops in the Near East.

They would all reach the age of retirement for generals, 60 years of age, before Sutela's term expires in 1983.

Known for his considerable work capacity and ability to make quick decisions, Ermei Kanninen, who became Chief of the General Staff, was, however, still ready to assume the new job.

Even as late as 2 years ago consideration was given to changing the statute so that the retirement age for the Chief of the General Staff would also be raised to 65.

If political unanimity could have been reached on this issue, the technical preparation and proposal of the issue would have fallen to Department Chief Aimo Pajunen in the Ministry of Defense.

Kanninen's political leanings have been toward the Conservatives and the Center Party so that even in this respect Prime Minister Kalevi Sorsa and Kanninen are citizens of two different worlds.

The retirement age issue has now been dropped and Kanninen himself is talking among his close friends about retiring next fall.

The new Chief of the General Staff will most likely be appointed before the commencement of the summer vacation.

#### Waiting List Jumps Ahead

When the retirement age was raised to 65, Major General Jaakko Valtanen, Air Force Commander Major General Rauno Merio, Colonel Aimo Pajunen, chief of the Military Affairs Section in the Defense Ministry, Colonel Pentti Vayrynen, chief of the Military Economics Section, and Commodore Jan Klenberg jumped ahead on the waiting list.

Valtanen, 56, Merio, 48, Pajunen, 51, and Vayrynen, 54, are now lieutenant generals and Jan Klenberg, 51, is a vice admiral.

Pentti Vayrynen has consistently declined to go out into the field, he lacks experience as a commander of troops. In a predominantly land-based army the qualifications of a commander are also measured in terms of the branch of military service. At this time greater emphasis is placed on this than before since the self-assurance of the ground forces has been made more sensitive by the fact that in recent years procurements have been concentrated in the air force and the navy. The branches of military service are Merio's and Klenberg's limitations. And Aimo Pajunen still has plenty of time.

When Pajunen was officially reprimanded by a government decision for statements on Norway, there was genuine rejoicing over his misfortune in the ministry and the General Staff. Lasse Aikas, the defense minister at that time, to the contrary, had no need to defend his department chief. In addition to being exceptional, the issuance of a reprimand was also a reasonably severe form of discipline.

Grumbling has had no essential effect on Pajunen's reputation. His merits as one of the chief architects of the parliamentary defense committee system, among other things, are known and recognized.

Major General Ilmari Kirjavainen, who will soon become chief of the Border Patrol, can also be included in the waiting line for commander if one gives strict observance to seniority.

Lieutenant General Wilhelm Stewen, 55, is chief of the most important staff of the defense forces, the General Staff. His name has appeared in the margins of the list for commander.

Stewen, the equestrian general, will probably succeed Jaakko Valtanen as commander of the Etela-Suomi Military District.

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CSO: 3107/112

## RESERVES OF 102ND INFANTRY CARRY OUT EXERCISE NEAR PARIS

Paris LE MONDE in French 8 May 82 p 14

[Article: "For the First Time--4,000 Reservists Called Up in the Paris Region for a Mobilization-Training Exercise"]

[Text] Four thousand reservists, residing in the Ile-de-France and the Centre, are being called up between Monday 10 May and Saturday 15 May to take part in a training session that will involve mobilization of the 102nd Infantry Division and a series of exercises in the Chartres region.

The 102nd Infantry Division, composed of 4,000 reservists who have been called up and with, in principle, a thousand vehicles of various kinds available to it, is the unit derived, upon mobilization, from the 2nd Armored Division, formed of regular-army cadres and draftees, with its headquarters at Versailles (Yvelines). The purpose of the call-up of this reserve division is to test the operational capacity of a mobilization unit under the sponsorship of an active division. This maneuver began in 1978 with the setting-up of the new mobilization plan, and subsequently it is taking place in each military region every 5 years.

This is the first time that this call-up of reservists has involved the 1st Military Region in Paris.

According to the Ministry of Defense, the exercise in the Ile-de-France and in the Centre region will take place in two phases: training of the reservist regiments for 48 hours, in the Montlhery, Beynes, Olivet and Satory garrisons; and then an open-country exercise in Eure-et-Loire, with a division headquarters installed at the Chartres air base.

The exercise, which will be witnessed by Georges Lemoine, secretary of state for defense and Socialist mayor of Chartres, has been christened Beauce-102.

A number of technical difficulties had to be overcome before it could be organized. For example, the mobility of the population in the Paris region did not facilitate the task of the mobilization organs, which had to make several attempts to find the exact addresses of the reservists. On the other hand, the lack of big exercise terrains in the 1st Military Region obliged the general staff to provide for moving the personnel by helicopter during Beause-102. Thus the reservist teams constituting the mortar and recoilless-gun crews will be transported by helicopter to the Sissonne (Aisne) camp for firing practice.

## DEFENSE MINISTER DISCUSSES SUB AFFAIR, NORDIC SECURITY

Helsinki UUSI SUOMI in Finnish 26 Apr 82 p 6

[Article by Timo Lipponen: "Criticism Was Completely Unjustified"]

[Excerpt] Stockholm--Swedish Defense Minister Torsten Gustafsson's actions during the submarine incident are still the subject of discussion in Sweden. The parliament's Constitutional Committee decided on Thursday to reprimand the minister.

"The criticism directed toward me by the press is completely groundless," commented Defense Minister Gustafsson to UUSI SUOMI.

The Swedish Parliament will be discussing the Constitutional Committee's statement on 12 May. At that time it is possible that the Defense Minister will be presented with a vote of no confidence. This would mean his resignation.

"In my opinion the submarine incident was handled correctly. This has been confirmed even abroad," states Gustafsson in defending himself.

He does not yet want to take a stand on the Constitutional Committee's statement, but first he wants to study it carefully.

Gustafsson became the object of criticism when a Soviet submarine was detained in Sweden's territorial waters off the coast of Karlskrona. When the submarine struck ground, the Defense Minister was at a meeting in Oslo, but he did not consider the matter to be so important that he would have hurried home.

Instead, he left to spend the weekend at his home in Gotland and assumed that he would keep abreast of things by radio and telephone.

People were astonished when Gustafsson announced that the Soviet themselves could participate in freeing the submarine from the rocks. A little later he caused additional consternation by stating that it is impossible to think about resorting to forceful means in connection with this incident.

## Nuclear Free Europe Unrealistic

In the opinion of Defense Minister Gustafsson the Nordic countries should continue their contacts so that some kind of results can be achieved in the creation of a nuclear free zone in northern Europe.

In referring to the parliament's position he states that the zone should be as geographically broad as possible. Preferably a part of a nuclear free Europe.

Is not a nuclear free Europe unrealistic for the time being.

"Unfortunately, this seems to be the case. From Sweden's point of view it is in any case extremely important that the Baltic Sea be made a part of this zone," answers the minister.

## Soviet Union Must Reduce Number of Missiles

In Gustafsson's opinion the Nordic countries should determine what measures the Soviet Union is prepared to take on its own territory which borders on the contemplated nuclear free zone.

"In my opinion the number of nuclear weapons in that area should be reduced. Particularly those nuclear missiles which have a range extending to our territories must be eliminated," notes Torsten Gustafsson.

He does, however, consider the question to be very difficult and an agreement should be reached on it by those states which have nuclear weapons, thus the super powers. The matter could even be brought up at the negotiations in Geneva.

## Sweden As A Guarantee for Stability

"I would like to emphasize that Sweden's national defense policy is the best guarantee and it provides stability for the whole Nordic area," states Defense Minister Gustafsson.

At this time he does not see any signs that Sweden's defense capability is diminishing.

Gustafsson sees Finland's YYA [Friendship, Cooperation, and Mutual Aid] Pact with the Soviet Union as well as Denmark's and Norway's policy of not allowing nuclear weapons in time of peace as a part of the Nordic balance.

"Sweden, for its part, will do everything possible to maintain stability. Even though governments have changed frequently, the security policy has remained the same: no alliances in peace time, which is aimed at neutrality in time of war," explains Gustafsson.

## Sweden's Defense

According to the minister problems have arisen in Sweden's defense policy as the economic recession has deepened. However, at this time the international situation has become ever more uncertain.

"We cannot lower our level of defense, but, however, procurements must be made proportionate to economic realities. This is a definite problem. The balancing of two factors," states Gustafsson.

The defense forces must be so strong that the people believe in them and that the outside world considers them to be credible.

"Sweden is prepared to defend itself from whatever direction an attack may come.

"In the first place, our defense is based on the concept that a conflict will occur with conventional weapons. Nevertheless, we have made preparations for the effects of nuclear weapons even though we do not think Sweden would be a nuclear target," states Defense Minister Gustafsson.

## Technology Will Not Leave Sweden Behind

According to Gustafsson Sweden's defense industry is sufficiently modern so that there is no fear that Sweden will fall behind.

"The Viggen is one of the best in the world as a fighter aircraft. Also the Drake continues to be good," he cites examples.

However, Gustafsson considers the development of the so-called JAS-aircraft to be important as a new type of destroyer aircraft. However, this project has aroused severe criticism in Sweden because of its expense. Gustafsson, however, considers it to be important to the total national defense.

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CS0: 3107/116



## STUDY SHOWS MOST GET ALONG WELL IN MILITARY SERVICES

Stockholm DAGENS NYHETER in Swedish 26 May 82 p 2

[Article by Peter Bratt]

[Text] Swedish soldiers are happy soldiers--at least those who are professionals. This was indicated by a study conducted by Organisationsmiljo HB for SOF (Association of Swedish Armed Forces Officers) and ORF (Association of Noncommissioned Officers) together with OB (Commander in Chief of the Armed Forces), CA (Commanding General of the Army), CM (Commanding Admiral of the Navy), and CFV (Commander in Chief of the Air Force).

Abbreviations are a typical manifestation of rational military thinking. All this means that two independent psychologists have conducted a study on behalf of the professional military organizations and that they worked together with the commander in chief and the heads of the various branches of the armed forces.

The two psychologists, Lars-Erik Liljekvist and Bengt Jonasson, presented their report to the mass media on Tuesday.

"What surprised us most, even at an early stage, was that most officers are so happy with their job," the researchers said.

## Meaningful

Ninety percent thought their job was meaningful or important often or quite often. This was true even though they thought only 40 percent of the civilian population had a positive attitude toward the military as a profession.

To the question, "What picture do you think the average Swede has of officers?" one officer replied:

"He has his head under one arm and SVENSKA DAGBLADET under the other."

The positive attitude clashes somewhat with estimates of how many planned to remain in their profession after 5 years. As many as 42 percent of the lowest officers said they did not think they still would be in the military at that time, compared to only 9 percent of the highest officers.

## In spurts

The lowest officers also believed that the job went in spurts. Often there is too much to do and at other times there is too little.

"This is a criticism of their superiors and how they plan the work," the researchers stated.

Everyone complained of the bureaucratization. Even the pilots now must have an office to handle all the paperwork before and after their flights.

The military has undergone democratization and almost everyone thinks this is good. There are restrictions on how the draftees can be treated and most believe that this is good as well.

"You might say that the draftees have educated the officers by demanding justifications and by questioning poor decisions. The officers see this as a stimulus," Lars-Erik Liljekvist said.

## Dislike Evaluations

The officers do not like receiving evaluations. They are given once each year, but without preliminary consultation and the officers do not know exactly which qualities will be evaluated. For this reason, they do not dare take time off to care for their small children or go on leave for family reasons, etc.

Naval officers, especially, are often away--75 percent more than 3 months each year. It is impossible for them to plan anything, since they know only 1 week in advance what they will be doing.

"This is unfair because it presupposes a family life according to the old pattern where the woman must do all the work at home," the researchers said.

## Land Before 1600

Positive aspects of military life include comradery, independence, and change of scenery. Negative aspects for pilots include conflicts with ground personnel who do not want to work overtime, so that the pilots must land no later than 4 o'clock. Staff personnel complain because their career is limited to Stockholm. Radar workers often have nothing at all to do.

The technicians believe that civilians, who now have taken over some jobs on contract, perform their jobs carelessly.

If an officer is able to go to work, he does. His ideal is to be strong and patient. He has little experience with being a civilian, but he hides it well. "Today's officers do not look like officers, on their free time that is," the researchers wrote.

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June 18, 1982